A MARKETING APPRAISAL OF THE PROMOTIONAL ACTIVITIES OF THE FLORIDA CITRUS COMMISSION FROM 1935 TO 1960

By
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CHAPTER I

INTRODUCTION

Recognizing the need to help themselves, agricultural producers, handlers, and processors have banded together to undertake extensive promotional activities on many agricultural commodities such as dairy products, fruit, meat, vegetables, poultry, eggs, and natural fibers like cotton and wool. Starting from pioneering efforts by a few of the larger marketing cooperatives in the early 1900's, group promotional activity has expanded rapidly, and more than 1,100 agricultural groups were engaged in promotion in 1958.[1]

These groups spend large amounts of money in advertising, merchandising, and other promotional activities as shown in Table 1. Expenditures of individual groups range from less than a hundred dollars to several million dollars. Also, in addition to advertising, merchandising, and public relations, there is a wide range of promotional activities and techniques used by these groups.[2]

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[1] Promotion of Farm Products by Agricultural Groups (Washington, D.C.: U.S. Government Printing Office, n.d.), pp. 3ff.

[2] Ibid., p. 6.

TABLE 1

NUMBER OF UNITED STATES
AGRICULTURAL GROUPS AND
ESTIMATED PROMOTIONAL FUNDS EXPENDED IN 1958

Type of Organization	Number	Estimated Expenditures (thousands)
Voluntary producer-processor groups	345	$25,508
Farmer marketing cooperatives	574	25,149
Commissions, councils, boards, and institutes established under legislation	120	13,961
State Departments of Agriculture	20	1,385
Others and unidentified	73	594
TOTAL	1,132	$66,597

Source: Promotion of Farm Products by Agricultural Groups (Washington, D.C.: U.S. Government Printing Office, n.d.), p. 13.

Many agricultural groups attempt to increase the demand for their commodities and yet do little or no brand advertising. In fact, the promotion of branded products accounted for only 21 per cent of the $67 million spent in promotional activities by agricultural groups in 1958.[3]

A type of promotion that is a hybrid of the commodity and brand approach is used by groups trying to expand the market for state agricultural products. Examples of this type of promotion are the promotion of "Idaho potatoes" by the Idaho Potato Commission, "Washington apples" by the Washington State Apple Commission, and "Florida citrus" by the Florida Citrus Commission. These commissions provide the over-all promotional programs for their respective products in order that individual producers, handlers, or processors may sell and promote their private brands more successfully. About 22 per cent of the combined promotional expenditures of all agricultural groups in 1958 involved the identification of a product with an area of production.[4]

The extent and nature of the promotional efforts of agricultural groups using this "hybrid" approach have not been well documented. The activities of these groups have neither been described nor analyzed in detail, nor has any

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[3] Ibid., p. 8.

[4] Ibid.

study attempted to assess the value of the over-all promotional efforts of these groups to the producers, handlers, and processors who are supposed to benefit from such efforts.

Studies have been conducted on frozen grapefruit sections, canned pre-cooked short-grain rice, dehydrated potato flakes, and frozen concentrated orange juice. However, these studies did not isolate the effects of promotional efforts on demand. Indeed, it is doubtful whether the effect of promotional efforts on the demand for an agricultural commodity can be isolated from other factors affecting demand. The complexity of the problem becomes apparent when one realizes that the demand for an agricultural commodity is affected by supply, price, income, substitute products, innovations, and changes in quality factors.

However, this does not mean that the promotional efforts of groups like the Florida Citrus Commission cannot be analyzed and evaluated in the light of present-day marketing knowledge.

Objectives

The intent of this dissertation is to study the promotional efforts of the Florida Citrus Commission with three primary objectives in mind: (1) To describe the historical background, purposes, powers, objectives, functions, and operation of the Florida Citrus Commission; (2) To analyze

in detail the way the Commission has conducted its promotional program in the light of current marketing knowledge in an effort to discover strong and weak points in the way the program has been planned and carried out; and (3) To examine relationships and draw inferences in regard to the Commission's success in reaching stated over-all promotional objectives.

Hypothesis

This study will proceed on the hypothesis that although the Florida Citrus Commission has helped to stabilize the Florida citrus industry, the Commission's promotional programs exhibit definite weaknesses when viewed in the light of current marketing thought.

Methodology

Secondary sources were used to achieve objective number one. Many of those sources contained only limited information regarding the historical background, purposes, powers, functions, and operation of the Commission. By bringing this information together, the present study performed mainly collecting, organizing, and explaining functions.

To meet the second objective, a thorough search of the internal records of the Commission was necessary. A study of promotional efforts was made, where records existed, from the time the Commission first opened its doors in the 1935-36 season through the 1959-60 season. Promotional

objectives and policies, advertising copy themes, media allocations, foreign promotion, ethical advertising, merchandising, and school and youth work were all analyzed and compared with what is now considered to be "good" promotional practice. From this analysis, strong and weak points of the Commission's promotional program developed. Each area of strength or weakness was discussed as to its origin, its effects on promotional activities, and if necessary, possible improvements.

To reach objective number three, statistics collected by the United States Department of Agriculture and various state agricultural services were reorganized and compared to the Commission's promotional expenditures. From this analysis, inferences were drawn concerning the relationships of Commission promotional expenditures to the average on-tree per box price, on-tree crop value of sales, and United States per capita consumption of oranges, grapefruit, and tangerines.

Scope

This study examines the promotional programs of the Florida Citrus Commission from the 1935-36 through the 1959-60 seasons. This research, however, does more than just describe the Commission's promotional programs.

The events leading to the formation of the Florida Citrus Commission are explored, and Florida's efforts to stabilize its citrus industry are compared to California's solution to its citrus problem.

Then, the various aspects of the Commission's promotional programs are examined. The Commission's markets, objectives, promotional expenditures, advertising copy themes, media, merchandising, publicity, and Youth and School program are subjected to detailed analysis to determine strong and weak points. Finally, an over-all analysis of the effectiveness of Commission promotional programs is attempted.

Limitations of the Study

This study has three limitations: (1) It is restricted to an analysis of historical data; (2) Promotional activities of the Florida Citrus Commission are the only areas analyzed; and (3) Many of the variables which affect the results of promotional activities cannot be meaningfully separated from the effects of the promotional activities themselves. Therefore, this dissertation contents itself with drawing inferences between what was done and results with the implicit assumption that many variables stay constant or do not exist in many cases.

The boundaries of this study are thus restricted by available historical records, available statistical data, and the analytic ability and marketing acumen of the writer. It is hoped that agricultural organizations, students of marketing, and marketing practitioners will find areas of value in what to the author's knowledge is

the first full-scale attempt at analyzing the promotional efforts of an agricultural body, created and supported by state legislation.

Definitions

Throughout this study, reference is made to seasons. When "season" is mentioned in reference to the Florida Citrus Commission, it means the period from July 1 through June 30, as this is the fiscal year on which Commission records are kept. When "season" is not used with direct reference to the Commission, it means the period from September 1 through August 31, which is the basis on which the citrus fruit records of the United States Department of Agriculture are kept.

"Promotional activities" means advertising, merchandising, publicity, ethical advertising, foreign promotions, and the School and Youth program when used in its broad sense in this study. At times, this term is used in a narrow sense and means only advertising, merchandising, and publicity. The way in which this term is used is often apparent from the discussion, but where confusion may result, the author is careful to indicate in which sense the term is being used.

CHAPTER II

THE FLORIDA CITRUS INDUSTRY'S NEED FOR COOPERATIVE MARKETING EFFORTS

Prior to the establishment of the Florida Citrus Commission in 1935, chaotic conditions prevailed in the Florida citrus industry. Those conditions were due to: (1) Unorganized marketing activities of Florida citrus producers and processors; (2) Lack of grade inspection requirements and standards on citrus fruit, packs, or containers; (3) The selling of citrus fruit of substandard quality; (4) Oversupplies of citrus fruit which led to depressed prices; and (5) Competition from the organized citrus growers of California.

These problems will be discussed. Then, the attempts of the Florida citrus industry to solve these problems through cooperative efforts will be traced. Finally, the solution used by the Florida citrus industry will be compared to that used by the California citrus industry in solving similar problems.

Unorganized Marketing Activities

The producers and processors of Florida citrus were an independent group, not inclined toward cooperative

efforts and especially resentful of state interference in their business affairs. This attitude on the part of Florida citrus men was well stated by L. W. Marvin, a former advertising and sales promotion manager of the Florida Citrus Commission, when he said:

> The ever-increasing production of John Q. Independent, his too frequent willingness to beat the gun with a few cars of green fruit and his selfish sharpshooting in flooding the good markets and cutting prices in the poorer ones, were the primary causes that brought on the establishment of the Commission.[1]

Quality Problems

The lack of grade inspection requirements and standards on Florida citrus fruit and its packs or containers undermined dealer and consumer confidence in the quality of Florida citrus. Much "green fruit"[2] and freeze-damaged fruit was shipped to market with almost complete disregard for its effect on future market conditions. For instance, in the 1926-27 citrus fruit season, severe freezes occurred.[3] Those freezes, along with severely high winds, caused considerable damage to Florida citrus crops, and frozen fruit was shipped to market in large quantities.

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[1] Herbert L. Stephen, "Each Dollar Invested in Advertising Brings Sales Increase of $17," Printers' Ink, CLXXXV, PartI (July 7, 1939), 13.

[2] "Green fruit" is fruit which has not reached the proper state of maturity for consumption.

[3] The citrus fruit crop season in Florida extends from September 1 to August 31 of each year.

The reaction of dealers and consumers to this freeze-damaged fruit was so unfavorable that it led one of Florida's leading citrus growers to remark that "Customers who used to swear by Florida citrus are now swearing at us."[4]

Difficulty with the marketing of poor quality Florida citrus was experienced also in the 1928-29, 1929-30, and 1932-33 seasons. Continuous marketing of poor quality citrus fruit and its adverse effects on dealer and consumer morale made this short run marketing practice one of the citrus industry's major problems.

The Problem of Increasing Production

Another serious problem that faced Florida citrus growers and processors was the rapidly growing volume of Florida citrus to be marketed in the face of a rather apathetic demand by consumers. The total production of citrus fruit is dependent upon three factors: weather, number and age of trees, and the management and care of orchards. Of these factors, increased plantings of citrus trees resulting in increased supplies of citrus fruit seems to have been the major cause of overproduction and depressed prices prior to the formation of the Florida Citrus Commission. Increased acreage devoted to citrus

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[4]James T. Hopkins, Fifty Years of Citrus (Gainesville, Florida: University of Florida Press, 1960), p. 88.

and increased plantings has a cumulative effect on boxes of citrus fruit produced in any one season since the normal life of orange trees in Florida and California is from seventy to ninety years while that of grapefruit trees is from seventy to ninety years in Florida and from fifty to seventy years in California and Arizona.[5]

From the 1919-20 citrus crop season to the 1935-36 crop season, bearing citrus acreage in the major citrus fruit producing states of the United States increased steadily and boxes of citrus fruit produced showed a general upward trend as shown in Table 2 and Figures 1 and 2.. From the 1919-20 season to the 1935-36 season, total bearing citrus acreage in the United States increased by 398,000 acres, or 141 per cent.

Production in boxes of citrus fruit increased a total of 42,555,000, or 119 per cent, from 1919-20 through 1935-36 crop seasons. Thus, there was a tremendous increase in bearing citrus acreage and total boxes of citrus fruit produced in the seventeen season period before the Florida Citrus Commission became active. Furthermore, the citrus from California and Arizona was being marketed by the California Fruit Growers Exchange while Florida lacked an organization with equivalent powers.

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[5]Kenneth E. Ogren, "An Analysis of Consumer Demand for Fresh Citrus Fruits, Frozen Concentrated Orange Juice and Selected Canned Fruit Juices" (Ph.D. dissertation, University of Minnesota, 1951), p. 10.

TABLE 2

ACREAGE AND PRODUCTION OF UNITED STATES CITRUS FRUIT FOR THE CITRUS CROP SEASONS 1919-20 THROUGH 1935-36
(Thousands of bearing acres and thousands of boxes)

Crop Season	FLORIDA		CALIFORNIA		TEXAS		ARIZONA		UNITED STATES	
	Acreage	Production	Acreage	Production	Acreage	Production	Acreage	Production	Acreage	Production
1919-20	84.1	13,928	194.0	21,527	.3	12	.7	109	282.1	35,664
1920-21	94.8	15,226	199.0	29,807	.6	10	.9	94	301.1	45,286
1921-22	107.2	15,133	206.9	18,758	1.3	13	.9	115	322.6	34,181
1922-23	119.5	18,735	210.9	25,460	1.8	45	1.0	141	346.1	44,676
1923-24	135.9	22,240	214.5	30,948	2.6	71	1.2	181	368.8	53,795
1924-25	160.6	20,236	218.1	24,194	3.4	318	1.4	165	387.0	44,990
1925-26	163.1	17,830	220.9	32,117	4.2	212	1.5	236	393.5	50,652
1926-27	184.2	19,612	227.8	35,785	5.3	402	1.7	195	423.3	56,261
1927-28	193.3	17,000	230.6	28,876	6.9	609	1.9	230	437.7	47,075
1928-29	200.8	27,806	235.3	47,751	10.4	878	2.4	310	454.1	77,080
1929-30	208.2	18,108	240.7	28,304	16.2	1,811	3.2	502	473.4	49,161
1930-31	220.2	35,008	244.0	44,419	22.7	1,450	3.8	539	495.6	81,708
1931-32	246.5	24,200	249.6	43,785	31.8	3,120	4.6	595	537.7	72,079
1932-33	265.4	28,010	253.2	42,319	47.7	1,765	5.8	761	577.6	73,333
1933-34	279.7	28,812	251.2	37,506	65.8	1,630	7.6	955	610.4	69,153
1934-35	291.8	32,815	260.8	57,961	78.8	3,390	11.3	1,410	649.3	96,097
1935-36	305.4	29,512	266.3	42,863	85.8	3,557	16.3	2,040	680.9	78,219

Source: Florida Citrus Fruit (Orlando, Fla: Florida Crop and Livestock Reporting Service, December, 1948), 1, 5.

FIGURE 1

BEARING CITRUS ACREAGE IN FLORIDA, CALIFORNIA, AND UNITED STATES FOR CITRUS CROP SEASONS, 1919-20 THROUGH 1934-35

Source: Florida Citrus Fruit (Orlando, Fla.: Florida Crop and Livestock Reporting Service, December, 1948), I, 5.

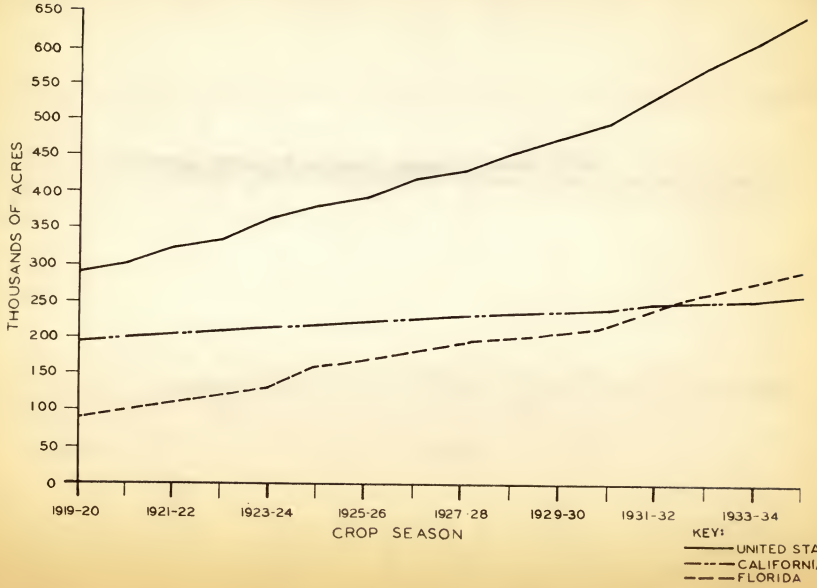
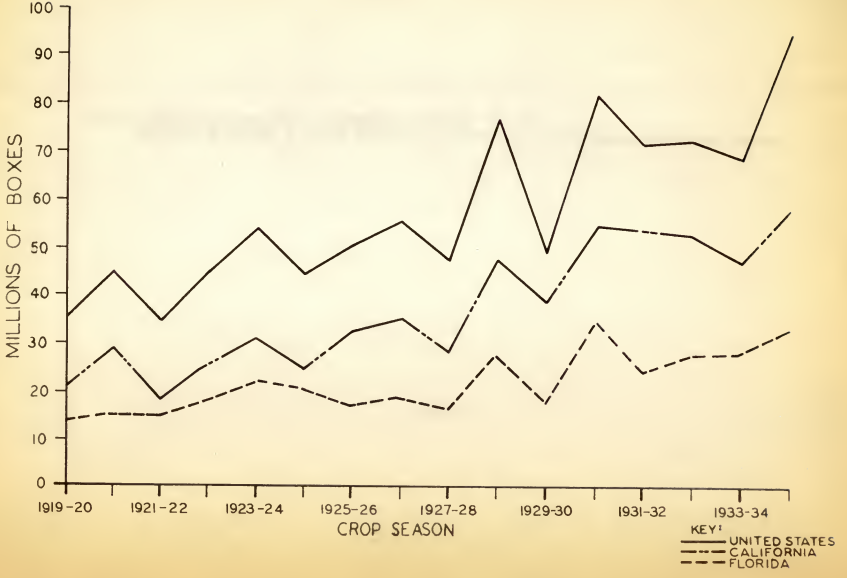

650
600
550
500
450
400
350
300
250
200
150
100
50
0
THOUSANDS OF ACRES
1919-20
1921-22
1923-24
1925-26
1927-28
1929-30
1931-32
1933-34
CROP SEASON
KEY:
UNITED STATES
CALIFORNIA
FLORIDA

FIGURE 2

CITRUS PRODUCTION IN BOXES FOR FLORIDA, CALIFORNIA, AND UNITED STATES FOR CITRUS CROP SEASONS, 1919-20 THROUGH 1934-35

Source: Florida Citrus Fruit (Orlando, Fla.: Florida Crop and Livestock Reporting Service, December, 1948), I, 5.


100
90
80
70
60
50
40
30
20
10
0
MILLIONS OF BOXES
1919-20
1921-22
1923-24
1925-26
1927-28
1929-30
1931-32
1933-34
CROP SEASON
KEY:
UNITED STATES
CALIFORNIA
FLORIDA

As a result of expanded citrus production in Florida and competitive citrus producing states and the onset of the depression of the 1930's, average fresh fruit F.O.B. prices per box on Florida citrus were affected adversely as shown in Table 3. By referring to this table, it can be seen that in most seasons, the greater the number of boxes of Florida citrus sold the lower the average fresh fruit F.O.B. price per box. Thus, the upward trend in total citrus production in the major citrus producing states in the United States was a major factor in reducing prices received by Florida citrus men, and at times these prices were at levels below the costs of production.

Florida Citrus Industry Attempts to Organize

Florida Fruit Exchange

The formation of the Florida Fruit Exchange in 1885 was one of the first major attempts by Florida growers to better conditions in the Florida citrus industry. Florida citrus growers were concerned about glutted markets, quality of fruit, and depressed prices. The primary purpose of the Florida Fruit Exchange was to regulate the marketing of the state citrus crop by having as many growers as possible join the cooperative. This exchange was a profit-making organization that managed to stay in good financial condition even though it never handled more than 10 per cent of the state citrus crop. It survived until the freeze of 1895 severely injured Florida citrus crops and wiped out cooperative progress made up to this time.

TABLE 3

FLORIDA FRESH CITRUS F.O.B. PRICES FOR THE CITRUS CROP SEASONS 1919-20 THROUGH 1935-36

Crop Season	Average Price Per Box[a]
1919-20	$3.37
1920-21	2.65
1921-22	3.17
1922-23	2.62
1923-24	1.82
1924-25	2.74
1925-26	3.36
1926-27	2.58
1927-28	3.90
1928-29	2.09
1929-30	3.13
1930-31	n.a.
1931-32	1.95
1932-33	1.36
1933-34	1.65
1934-35	1.63
1935-36	2.14

Source: Annual Agricultural Statistical Summary 1959-60 Season (Jacksonville, Fla.: Florida State Marketing Bureau, November, 1960), XLIII, 51.

[a]Average F.O.B. price per box on all packed fruit.

Florida Citrus Exchange

After the freeze of 1895, there was no coordinated marketing of Florida citrus products until 1909, when the Florida Citrus Exchange was organized along the same general lines as the California Fruit Growers Exchange. The Florida Citrus Exchange still exists and has succeeded in handling one-third of Florida's citrus crop. Its members include both growers and shippers, and it is actively engaged in marketing citrus fruits. It also promotes high standards of packing and production and seeks effective citrus legislation. About forty affiliated fresh fruit packing houses across the state form the backbone of the organization. Completely staffed sales offices are maintained in eleven northern markets and representatives in ninety other markets in the United States and Canada.

The Florida Citrus Exchange has been considered a success by some citrus growers. However, it is far less powerful in the marketing of Florida citrus than its counterpart, Sunkist Growers, Inc., is in California and Arizona citrus marketing. The Florida Citrus Exchange lacks overall legal controls to put teeth in its actions, and it lacks control over about 70 per cent of Florida's growers. Thus, even though this exchange has been helpful to the Florida citrus industry, it has failed to correct the industry's major ills.

The Fruitman's Club and the Clearing House

The Fruitman's Club, a voluntary organization in existence from 1925 to 1927, failed because of lack of control over member-growers' actions. This club was disbanded in favor of the Clearing House, which was organized in 1927.

The Clearing House had no authority to enforce its agreements except for appeals to good will. Furthermore, severe competition between and the unwillingness of growers and shippers to cooperate on an industry-wide basis presented insurmountable problems. Because of those weaknesses, the Clearing House closed its doors in 1933.[6]

Therefore, voluntary organizations were unsuccessful in solving the major problems of Florida's citrus industry. Grade standards and grade inspections were lacking, price levels were depressed, citrus was in over-supply, and poor quality fruit was still being shipped to market. Dark depression days brought on frantic, unorganized citrus marketing, and large quantities of freeze-damaged fruit were shipped to market during the 1934-35 season.

The Birth of the Florida Citrus Commission

Support had been growing for an over-all citrus industry governing body since 1926 when C. C. Commander, a

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[6]John R. Bethea, III, "An Administrative Survey of the Florida Citrus Commission," (unpublished Master's Thesis, University of Florida, 1956), pp. 14ff.

prominent citrus man, presented the following proposal to the Florida Citrus Exchange:

> (1) That an organization be created and incorporated under the laws of Florida for the sole purpose of the financing, formation and direction of publicity and consumer advertising of Florida citrus fruits; (2) All membership in that organization should be equally available to all citrus shippers of the state; (3) Finances for the expressed purposes of the organization should be derived by means of a per box tax, the amount of which may be varied from season to season; (4) A subsidiary company should be formed for the purpose of developing European markets for the overflow of Florida fruit.

Again, in 1927, C. C. Commander voiced the opinion that:

> It is readily evident that to do the job for the industry which advertising alone can do, far more advertising than the Exchange can now support is necessary. One method of obtaining this increase would be by means of a state-wide citrus campaign supported by a tax on at least 75 per cent of the fruit.[7]

From 1932 to 1933, the citrus industry tried to get regulated distribution by turning to the state legislature for relief. One bill that the citrus industry proposed was the creation of an agricultural commission, which would act upon petition by 75 per cent of the producers of any commodity and would enforce complete cooperation in its regulations. This bill was not passed.[8]

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[7] Hopkins, op. cit., pp. 86ff.

[8] Ibid., p. 133.

On April 1, 1935, a committee of citrus industry leaders represented the industry at a meeting in Lakeland and approved nine bills to be presented to the legislature. These bills were developed in numerous meetings throughout the state prior to the Lakeland meeting and were endorsed by the Florida Citrus Exchange, Associated Growers and Shippers, and many individual growers and shippers.

Of the nine bills, one provided for the establishing of a Florida Citrus Commission to stabilize and protect the Florida citrus industry. There was a bill to secure more rigid citrus maturity regulations, three separate excise tax bills on oranges, grapefruit, and tangerines, a bill for licensing and bonding citrus fruit dealers, and a bill to protect the owners of field boxes, crates, and other containers from theft.[9] These bills became a blueprint for what was to be the Florida Citrus Commission.

In the Spring of 1935, the Florida Citrus Commission was created when Governor David Sholtz signed legislation that brought it into being. The Commission was authorized by law to collect an excise tax on citrus to carry out its advertising and merchandising activities, conduct research to discover new products and uses for citrus, and be the watchdog of laws governing methods of harvesting, grading, packing, canning, and coloring citrus fruit.

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[9] Ibid., pp. 25f.

The complete cost of the Commission program was to be borne by the citrus industry. Each grower, shipper, and processor was given a voice in making industry decisions, which were then to be enforced by the State's power to tax, license, inspect, regulate, and embargo. Growers and processors were left free to grow what they pleased and sell their crops wherever they wished at whatever prices they could get.

Thus, Florida citrus men arrived at a formula consisting of industry forum and state enforcement. The Commission does not market the fruit directly. It only engages in advertising, publicity, merchandising, and research besides administering and enforcing citrus regulations. It promotes no one brand but advertises Florida citrus as a whole. In those two areas, it differs considerably from Sunkist Growers, Inc., the organization which markets California and Arizona citrus.

The birth of the Florida Citrus Commission and its subsequent actions were of great aid to the Florida citrus industry as grade standards were established and inspection of fruit enforced, standard sized containers were adopted, and indiscriminate shipping of damaged fruit was brought under control. However, since the Commission has no real authority over how much citrus a grower markets and what prices he asks, the problem of oversupply and depressed prices has remained with the Florida citrus industry to this date.

Florida Citrus Mutual

An attempt was made to secure grower cooperation on those matters when the Florida Citrus Mutual was established in 1948. This organization is in existence today and is essentially a growers' organization as each member has to be a grove owner.

The basic function of the Florida Citrus Mutual is to furnish its members with the necessary information upon which to base marketing decisions. Besides furnishing members with information affecting price and market stability, this organization defends the rights of Florida citrus growers before the Federal Trade Commission, fights all legislation or regulations it determines to be detrimental to grower interests, cooperates with state and federal agencies in developing procedures for forecasting Florida citrus crops, and maintains market experts in northern markets to represent grower interests, work with buyers, and keep Florida growers advised of current and expected market conditions.[10]

Florida Citrus Mutual has no control over its members' citrus shipments. Its function is mainly informational, and it uses persuasion rather than force to maintain prices. Growers sign contracts with Florida Citrus Mutual and agree to sell their fruit to handlers affiliated with

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[10]"Florida Citrus Mutual," All Florida Magazine (January 9, 1955), p. 13.

the organization. Growers pay the Mutual less than a cent for each box of fruit they sell and are permitted to withdraw in June of any year if they so desire. In 1961, Florida Citrus Mutual had 11,127 grower-members and more than 80 per cent of the state's citrus crop under contract.[11]

California Efforts Towards Solving Citrus Marketing Problems

Prior to 1880, California growers marketed their citrus fruit independently and suffered from many of the same problems which plagued Florida citrus growers. However, in the 1880's, California citrus men realized that so long as they sold their oranges individually, they would be at the mercy of speculators and commission buyers and that some type of central agency was necessary to market the crop on a national scale.

California citrus growers tried to cooperate by founding the Orange Growers Protective Union of Southern California in 1895. However, this Union was ruined by the unruly individualism of its members and the bitter opposition of the commission merchants and disbanded in a few years. Other cooperatives were formed and most failed. One of the strongest of the survivors was the

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[11] An In Depth Program of Progress for the Growing Grower Membership of Florida Citrus Mutual During the 1961-62 Season (Lakeland, Fla.: Florida Citrus Mutual, 1961), pp. 2ff.

Southern California Fruit Exchange, which was founded in 1893. In 1905, this Exchange became the nucleus of the powerful California Fruit Growers Exchange, which was later renamed Sunkist Growers, Inc.[12]

The main objective of this organization is to market its members' citrus at the best price possible. It controls shipments, not production, and it has the power to decide on what citrus fruit is to be shipped immediately to market, what is to be temporarily withheld, and what is to be permanently withheld from the market. Citrus that is permanently withheld is sent to by-products plants to make pectin, orange juice, and essential citrus oils.

The 10,000 grower-members of Sunkist Growers, Inc. market their citrus by delivering it to an exchange packing house. Each grower is credited with the exact grades and sizes he delivers and is paid accordingly upon marketing or processing of the fruit. If a grower becomes dissatisfied with the organization, he can withdraw during a specific two-week withdrawal period every year.

To stimulate the sale of California and Arizona citrus, Sunkist Growers, Inc. carries on extensive advertising and merchandising activities. Promotional budgets are counted in millions of dollars, which are financed by assessments on each box of citrus handled by the organization. For instance, in 1960, the assessment was six cents

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[12]"Cooperation at a Profit," Fortune, XIV (July, 1936), 48.

per carton, or half-box, on oranges and nine and one-half cents per carton on lemons.

The over-all advertising objectives of the organization since its inception in 1907 have been directed primarily to increasing total consumption of oranges, lemons, and grapefruit and secondarily to establishing a brand preference for "Sunkist," the organization's brand name.[13] Sunkist Growers, Inc. has spent millions of dollars in pursuit of these objectives and was ultimately emulated on many phases of its promotional program by the Florida Citrus Commission.

About 71 per cent of the California-Arizona citrus crop is handled by Sunkist Growers, Inc.[14] With this percentage of the citrus fruit of the two states being marketed through its facilities, this organization has been able to regulate and control citrus shipments from these two states to a high degree and has led the citrus industry in its drive to secure better federal and state legislation that provides adequate safeguards on the movement of citrus to its ultimate markets.

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[13]Irwin W. Rust and Kelsey B. Gardner, Sunkist Growers, Inc., A California Adventure in Agricultural Cooperation (Washington, D.C.: U. S. Government Printing Office, December, 1960), pp. 2ff.

[14]W. E. Black, Trade Survey and Evaluation of the Florida Citrus Commission Merchandising Program (Lakeland, Fla.: Florida Citrus Commission, 1960), p. 14.

Comparison of Florida and California Attempts to Solve Citrus Problems

California and Florida use quite different solutions in an attempt to solve citrus production and marketing problems. California growers utilize a system of cooperatives to market their citrus while the majority of Florida citrus is marketed by independent growers under the overall regulations laid down by the Florida Citrus Commission. Thus, Florida growers went to quasi-governmental controls to solve their problems while California settled on greater grower cooperation with little state government interference. Although there is no one reason why growers in the two states chose different methods of solving their problems, a combination of reasons helps to explain the different situations in the two states.

Growers in California were more willing to cooperate than Florida growers because their crops were grown at a considerable distance from large eastern markets and cooperation was necessary in order to get good quality citrus to consumer markets. Furthermore, growing costs were higher in California, and California citrus acreage was concentrated in the hands of comparatively few growers when contrasted with Florida. Therefore, California growers were more prone to cooperate than growers located in Florida where land was cheap, and there were many small grove owners.[15]

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[15]Bethea, op. cit., p. 24.

In California, growers have surrendered control of the marketing of their citrus to Sunkist Growers, Inc., and their individual interests are subordinated to group interest. In Florida, the great majority of growers have been unwilling to substitute group action and group interest for individual action and individual interest. This difference in grower attitude is one of the basic reasons for the difference in citrus marketing controls in the two states.

Some persons believe that California is much more effective in solving its citrus marketing problems through cooperation than Florida, which depends largely on legislation. In a report to the board of the Florida Citrus Exchange in 1948, California's stronger position in the market was emphasized by Fred S. Johnson when he said:

> Again this season Florida has received less money per box for its fruit than California, despite the fact that Florida's is one-fifth of a bushel larger and a box of Florida oranges contains from five and one-half to six gallons of juice compared with only three and one-half to three and three-quarters gallons for California navels. Considering that Florida offers the customer more and receives less, there must be something wrong with the way it's being offered.[16]

This led an author of a book on the Florida citrus industry to remark, "Once again, Florida's failure to

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[16]Hopkins, op. cit., p. 214.

arrive at some sort of a cooperative marketing distribution plan had helped make a poor season out of what should have been a good one."[17]

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[17] Ibid.

CHAPTER III

STATE CITRUS LAWS OF FLORIDA AND THE PURPOSES, POWERS, FUNCTIONS, AND ORGANIZATION OF THE FLORIDA CITRUS COMMISSION

For more than fifty years, the Florida legislature has recognized the importance of the Florida citrus industry to the economic well-being of the State and its citizens. Laws prohibiting the shipping or selling of "green fruit" were passed as far back as 1911. Attempts to provide adequate legislation for citrus fruit maturity standards were made in 1913. Unfortunately, these early attempts at legislating the activities of Florida's citrus industry were ineffective as the legislation was poorly worded and enforcement funds and machinery were sadly lacking.

In 1925, the Florida legislature passed the first state statute providing for a chemical test to determine the maturity of oranges and grapefruit. Although the lack of proper inspection and enforcement machinery made this statute ineffective, it ultimately was made part of the Florida citrus fruit laws, and maturity of citrus fruit is still determined in this manner.

In 1927, legislation dealing with "freeze-damaged" fruit was passed. Under this statute, the Commissioner of Agriculture could declare an emergency when freezing

conditions prevailed in the state, and inspectors could be sent out to determine whether "freeze-damaged" fruit on the trees was fit for consumption. This power was subsequently strengthened and transferred to the Florida Citrus Commission, and this body can exercise similar authority today.[1]

Basic State Legislation Creating the Florida Citrus Commission

In 1934-35, nine bills were presented to the state legislature in an attempt to correct some of the chaotic conditions prevailing in the Florida citrus industry. These were ultimately passed and consisted of: (1) A stabilization measure containing a provision for a state citrus commission; (2) Citrus Fruit Maturities Act; (3) Three advertising bills, one each for oranges, grapefruit, and tangerines; (4) Measures for licensing and bonding of citrus fruit dealers; (5) Field Box Act; (6) Controls over color added applications; and (7) A growers cost guaranty bill.[2]

In its twenty-fifth regular session, the legislature of the State of Florida incorporated these bills into statutes and spelled out the purposes of the legislation.

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[1]William C. Pierce, Citrus, Florida Law and Practice (Atlanta, Ga.: The Harrison Company, n.d.), pp. 13ff.

[2]James T. Hopkins, Fifty Years of Citrus (Gainesville, Fla.: University of Florida Press, 1960), pp. 146-147.

Purposes of the Citrus Legislation

Senate Bill Number 16 in the regular session of the 1935 legislature sets forth the purposes of the legislation as:

> An act to stabilize and protect the citrus industry of the State of Florida and to promote the general welfare of such industry and of the State of Florida; to create a State Citrus Commission of the State of Florida to be known as "Florida Citrus Commission"; to provide for the appointment and payment of expenses of the members of such Commission and to prescribe the powers, duties, and functions of such Commission and the qualifications and terms of office of members thereof; to create seven citrus districts to be numbered one to seven; to provide for the adoption by said Commission of rules, regulations, and orders necessary and proper for an effective administration and enforcement of this Act; to protect and enhance the reputation of Florida citrus fruit in domestic and foreign markets; to regulate the inspection, grading, and marking of citrus fruit; to prohibit the shipping of citrus fruit in violation of this Act; to prescribe the powers and duties of the Commissioner of Agriculture of the State of Florida in the enforcement of this Act; to provide for judicial review of protests made in connection with any rules, regulations, or orders adopted pursuant to this Act; to provide for the levy and collection of assessments and the disbursement thereof; to provide for inspection and inspection services; and to provide penalties for violations of the provisions of this Act and any rule, regulation, or order promulgated thereunder.[3]

This extensive spelling out of the purposes of the new citrus legislation was not enough for the state legislature.

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[3]State of Florida, Laws of Florida, Regular Session, I, 1935, 213-214.

Because of the citrus industry's prior problems regarding unorganized marketing, lack of quality standards or controls, and oversupplies of citrus fruit, the legislature specifically stated its reasons for passing the citrus legislation.

> This Act is passed (a) In the exercise of the police power of the State to protect the public health and welfare and to stabilize and protect the citrus industry of the State of Florida; (b) Because the citrus fruit crop grown in Florida comprises the major agricultural crop of Florida and the business of disposing of such crop is of public interest; (c) Because it is wise, necessary, and expedient to protect and enhance the quality and reputation of Florida citrus fruit in domestic and foreign markets; (d) To provide means whereby producers of citrus fruit and all interested parties may secure prompt and efficient inspection and classification of grades of citrus fruits at reasonable cost, it being recognized that the standardization of the citrus fruit industry of Florida by the proper grading and classification of citrus fruit by prompt and efficient inspection under competent authority is beneficial alike to producer, shipper, carrier, receiver, and consumer in that it furnishes the producer and shipper prima facie evidence of the quality or condition of products, it informs the carrier and receiver of the quality of the products carried and received by them and assures the ultimate consumer of the quality of the products purchased; (e) To stabilize the Florida citrus industry and to protect the public against fraud, deception, and financial loss through further repetition of unscrupulous practices and haphazard methods in connection with the marketing of citrus fruit; (f) Because

> such Act is designed to promote the general welfare of the Florida citrus fruit industry, which in turn will promote the general welfare of the State of Florida.[4]

Notably, no part of the Act provided for cooperative marketing of the citrus fruit crop. The initial Act dealt primarily with provisions designed to insure the quality of citrus fruit marketed. No provision of the Act dealt with control of citrus fruit supply or imposed restrictions dealing with the growers, shippers, or handlers right to market their citrus as they saw fit or for whatever price they chose to sell.

Powers and functions of the Florida Citrus Commission

The Florida Citrus Commission was instituted as a corporate body and granted all the powers of a corporate body necessary to carry out the provisions of the Act. It received a wide scope of authority in regard to the stabilization and protection of the reputation of Florida citrus, all under the Commissioner of Agriculture of the State of Florida. In addition, it was empowered to collect excise taxes levied by the legislature on Florida oranges, grapefruit, and tangerines.

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[4] Ibid., p. 214.

Legislation concerning promotional activities

The Florida Citrus Commission was given the responsibility and authority to conduct advertising, publicity, and sales promotion campaigns for the purpose of expanding markets and increasing the consumption of oranges, grapefruit, and tangerines. Separate bills on these three products became acts when signed into law in 1935, but each act was similar in provisions except for the promotional taxes assessed on each type of citrus fruit. Therefore, the act on oranges will be taken as illustrative of those on other citrus fruits.

The orange act stated that it was:

> An act to conserve and promote the prosperity and welfare of the Florida citrus industry and of the State of Florida by promoting the sale of oranges produced in Florida through the conducting of a publicity, advertising, and sales promotion campaign to increase the consumption of such oranges; to levy and impose an excise tax on oranges produced in Florida and to provide for the collection thereof; to create an Orange Advertising Fund; to vest the administration of this Act in the Florida Citrus Commission and to provide for the powers, duties, and authority of said Commission hereunder; and to provide penalties for violations of this Act.

This Act further set forth the specific reasons for its enactment as follows:

> That economic waste is being fostered in the citrus industry of the State of Florida by the lack of proper advertising and dissemination of information necessary for the development and promotion of the sale of oranges grown in the State of Florida;

> that such unnecessary and unreasonable waste is creating chaotic economic conditions in the citrus industry of the State of Florida of such severity as to imperil the ability of producers of oranges to contribute in appropriate amounts to the support of the ordinary governmental and educational functions, thus tending to increase and increasing the tax burdens of other citizens for the same purposes; that in the interest of public welfare and general prosperity of the State of Florida this avoidable and unnecessary loss can and should be eliminated by acquainting the general public with the health-giving qualities and the food and/or dietetic value of the different grades of oranges grown in the State of Florida.[5]

Further provisions of interest in 1935 citrus legislation as they applied to promotional efforts were those on collecting the promotional taxes, how those taxes were to be spent, and the "home advertising agency" clause.

To insure prompt and efficient collection of excise taxes on citrus, the legislature provided that those taxes were due and payable when the citrus fruit was first handled in the primary channel of trade.[6] The payment of those excise taxes was to be made by purchasing advertising stamps, which had the amounts paid for the stamps indicated thereon. Those stamps were to be affixed to the grade certificate.

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[5] Ibid., p. 234.

[6] Citrus fruit was deemed to have been delivered into the primary channel of trade when it was sold or delivered for shipment in fresh form or when it was received and accepted at a plant for processing.

This method of collecting the excise tax on citrus was effective because no citrus fruit could be shipped or processed under law without a grade certificate signed by a state inspector or without the required promotional stamps being affixed to this grade certificate. However, this method of collecting excise taxes made the promotional funds available to the Florida Citrus Commission dependent on the size of each year's crop and necessitated attempts to forecast citrus crop sizes in an effort to determine the extent and nature of promotional activities to be undertaken. Furthermore, it complicated the buying of advertising space and time as long term media contracts could not be signed unless a suitable short term cancellation clause could be incorporated.

A provision of the original citrus legislation that has considerably restricted the flexibility of promotional efforts dealt with the way promotional funds were to be apportioned among the several types of citrus fruit. This provision stated that tax money levied and collected on oranges, over and above necessary administrative expenses, was to be spent exclusively for the advertising of oranges. If oranges were advertised jointly with grapefruit and/or tangerines, the Orange Advertising Fund was to bear only its pro rata share of such advertising.[7] Similar provisions were written into bills on grapefruit and tangerines.

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[7]State of Florida, op. cit., pp. 237f.

These provisions severely limited the flexibility of Commission promotional efforts and tied expenditures by product type directly to the boxes of citrus fruit shipped or processed in each category each season. This made the shifting of funds from a well-established product with a "high" per capita consumption to a product with a "low" per capita consumption impossible. It brought about a promotional policy of "playing the winners"[8] by product type and undoubtedly is one of the major reasons for the much faster and greater acceptance of oranges by consumers than was true of grapefruit. Furthermore, this legislated policy further complicated promotional planning by product type as adverse weather conditions, insect pests, and other happenings could affect orange, grapefruit, and tangerine crops quite differently. This forced the Florida Citrus Commission to depend heavily on forecasted crop sizes by type of citrus fruit when designing advertising plans and strategies. In later years, this policy was to be relaxed somewhat and the Commission given the authority to pro rate promotional funds among the various citrus products equitably while taking into consideration the

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[8]"Playing the winners" is a marketing policy whereby greatest promotional effort is placed behind those products which have the greatest proven sales or greatest sales potential.

pro rata payments made on the various varieties and other relevant and pertinent matters.[9]

The "home advertising agency" clause was written into original citrus legislation and stated "Funds expended under this Act for Advertising shall be expended through an established advertising agency within the State of Florida." If the intent of this clause was to give the Florida Citrus Commission advertising account to a native Florida advertising agency, the legislative intent was circumvented. Primarily New York City advertising agencies have handled the Commission account and have avoided conflict with the "home advertising agency" clause by working through established branch offices in Florida or by opening up a Florida office upon acquiring the Commission account. Most artwork, engravings, printing, and other production supplies have been bought in states other than Florida.

Composition of the Florida Citrus Commission

In the 1935 citrus legislation, Florida was divided into seven citrus districts. Each district received representation on the Florida Citrus Commission. Specifically, the Commission was composed of eleven citrus men. Six districts had one representative each,

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[9]State of Florida Citrus Fruit Laws (Lakeland, Fla.: Florida Citrus Commission, 1959), p. 10.

district number seven, which was composed of Polk County, Florida, had two representatives, and there were three representatives appointed from the state at large.

These representatives had to be residents of Florida and be actively engaged in growing, or growing and shipping, Florida citrus for a period of five years immediately prior to appointment to the Commission. Florida Citrus Commission members were appointed by the Governor for a period of two years.[10]

Florida Citrus Code of 1949

In the Florida Citrus Code of 1949, which repealed all previous existing citrus laws, the powers of the Florida Citrus Commission were set forth.

The Commission has general supervisory authority over the administration and enforcement of the citrus code. It has the power to adopt, amend, modify, rescind, or alter any or all necessary or proper rules, regulations, or orders for the exercise of its powers and the carrying out of its duties under the Code. Rules and regulations adopted by the Commission have the force and effect of law when not inconsistent with express statute.[11]

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[10]State of Florida, op. cit., pp. 215-216.

[11]Pierce, op. cit., p. 20.

Specific powers were granted the Florida Citrus Commission under the citrus code. The most important of these powers are: (1) To regulate and control methods and practices used in the harvesting, grading, packing, or processing of citrus fruits for human consumption; (2) To establish state grades for fresh and processed citrus fruits and their containers; (3) To prescribe rules or regulations governing the marking, branding, labeling, tagging, or stamping of fresh or processed citrus fruit; (4) To enforce grading and marking of fresh and processed citrus fruit in accordance with the regulations of the citrus code; (5) To conduct research to determine standards, grades, and maturity requirements for fresh and processed citrus fruits; (6) To conduct research to determine all possible new and further uses for fresh and processed citrus and their by-products; (7) To carry on suitable experiments to prove the commercial value of all new profitable methods and instruments of distribution of fresh and processed citrus and their by-products; (8) To enter into any contracts which the Commission deems necessary to carry out the provisions of the citrus code; (9) To investigate transportation problems affecting the Florida citrus industry and the lawfulness of all rates, regulations, or practices affecting the industry and to cause proceedings to be filed with the Interstate Commerce Commission, or other regulatory body where any rate,

regulation, or practice is found to be unjust, unreasonable, discriminatory, or unlawful; (10) To plan and conduct campaigns for commodity advertising, publicity, and sales promotion to increase the consumption of citrus fruits and to contract for any such advertising, publicity, and sales promotion service; (11) To employ and discharge at its pleasure an advertising manager, agents, advertising agencies, clerical help, and other help and to outline their powers and duties and fix their compensation; (12) To institute prosecution for violation of any of the citrus laws or rules, regulations, or orders promulgated by the Commission; and (13) To administer the issuing of licenses and the posting of bonds for citrus fruit dealers.[12]

Changes in the composition of the Florida Citrus Commission

Under the Florida Citrus Code of 1949, which is still in effect, the number of Commission members is increased from eleven to twelve, and citrus industry representation on the Commission has undergone further refinement. Presently, seven members of the Commission are designated as "grower-members" and must be primarily engaged in the growing of citrus fruit. Each of Florida's seven citrus districts has a "grower-member"

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[12]State of Florida, Department of Agriculture, The Florida Citrus Code of 1949 (Winter Haven, Fla.: Citrus and Vegetable Inspection Division, 1949), pp. 11-48.

on the Commission. Five members of the Commission are designated as "grower-handler" members and must be engaged in handling citrus fruit. Two of these five "grower-handler" members must be engaged in the fresh fruit business, and three must be engaged in the processing of citrus fruit. One of these "grower-handler" members must be appointed from Polk County, Florida, and the remaining four from the state-at-large, but no two of these members can be appointed from the same citrus district.[13]

The changing composition of the Florida Citrus Commission reflects the growing importance of processed fruit and juices to the citrus industry. The increasing importance of processed citrus fruits and juices divided citrus growers into two factions, fresh fruit growers and shippers and processed fruit growers and processors. The efforts of these two groups to secure the "lion's share" of citrus promotional appropriations has had a considerable effect on the spending pattern of the Florida Citrus Commission.

Organization of the Florida Citrus Commission

The Florida Citrus Commission is a statutory body that has the legal status of a body corporate. It is specifically given the authority to set up an organization

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[13]State of Florida Citrus Fruit Laws, op. cit., p. 4.

to carry out the powers and duties assigned to it by the legislature. Presently, such an organization exists, primarily in Lakeland, Florida. The organization chart of the Florida Citrus Commission is shown in Figure 3.

The Florida Citrus Commission has the powers and duties previously described. It is assisted in its activities by thirteen industry committees and eleven internal committees, which act in an advisory capacity. These committees are listed in Figure 4. Committees other than industry advisory committees communicate with department heads through the General Manager.

The General Manager has over-all supervision and direction of all staff operations. He recommends and advises the Commission in respect to policy and brings appropriate matters to the attention of the Commission. In addition, he recommends new employees for the Commission staff and holds frequent meetings with representatives of the press, radio, and television in order to keep the public and the industry informed on the activities of the Commission.

Staff offices dealing in the promotional activity of the Commission are Director of Advertising and Merchandising, Advertising Manager, Merchandising Manager, Production Manager, Director of Public Relations, Manager of Youth and School Services, and Manager of Special Promotions. The duties of each of these offices will be discussed in turn.

FIGURE 3

FLORIDA CITRUS COMMISSION ORGANIZATION CHART, 1961

Source: Organization Chart, Lakeland, Fla., Florida Citrus Commission, 1961. (In the files of the Commission.)

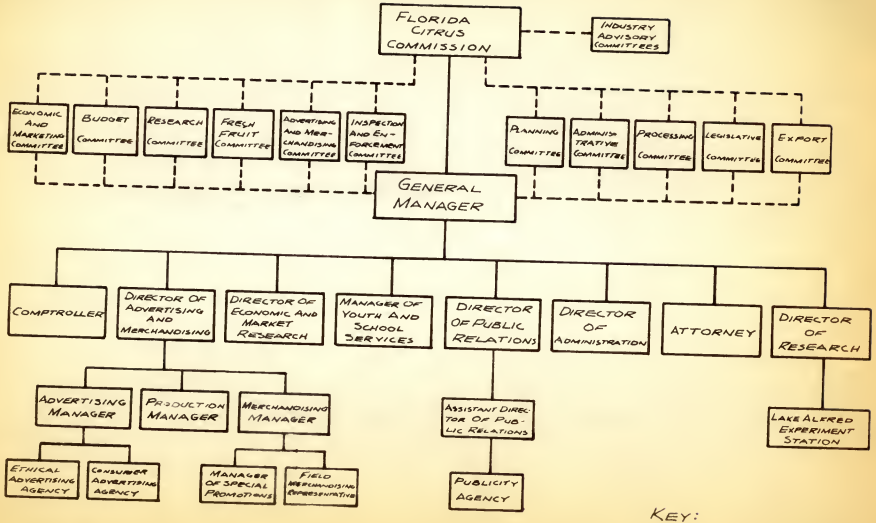
FLORIDA CITRUS COMMISSION
INDUSTRY ADVISORY COMMITTEES
ECONOMIC AND MARKETING COMMITTEE
BUDGET COMMITTEE
RESEARCH COMMITTEE
FRESH FRUIT COMMITTEE
ADVERTISING AND MERCHANDISING COMMITTEE
INSPECTION AND ENFORCEMENT COMMITTEE
PLANNING COMMITTEE
ADMINISTRATIVE COMMITTEE
PROCESSING COMMITTEE
LEGISLATIVE COMMITTEE
EXPORT COMMITTEE
GENERAL MANAGER
COMPTROLLER
DIRECTOR OF ADVERTISING AND MERCHANDISING
DIRECTOR OF ECONOMIC AND MARKET RESEARCH
MANAGER OF YOUTH AND SCHOOL SERVICES
DIRECTOR OF PUBLIC RELATIONS
DIRECTOR OF ADMINISTRATION
ATTORNEY
DIRECTOR OF RESEARCH
ADVERTISING MANAGER
PRODUCTION MANAGER
MERCHANDISING MANAGER
ASSISTANT DIRECTOR OF PUBLIC RELATIONS
LAKE ALFRED EXPERIMENT STATION
ETHICAL ADVERTISING AGENCY
CONSUMER ADVERTISING AGENCY
MANAGER OF SPECIAL PROMOTIONS
FIELD MERCHANDISING REPRESENTATIVES
PUBLICITY AGENCY
KEY:
LINE RELATIONSHIP
STAFF OR ADVISORY RELATIONSHIP

FIGURE 4

FLORIDA CITRUS COMMISSION AND INDUSTRY COMMITTEES
1960-61

Advertising and Merchandising
Legislative
Budget
Research
Administrative
Fresh Fruit
Processing
Planning
Inspection and Enforcement
Economic and Marketing
Fresh Fruit Advisory
Industry Research Advisory
Tangelo Advisory
Temple Advisory
Export Advisory
Chilled Juice Quality
Concentrate Quality
Canners Quality
Florida Fresh Citrus Shippers Advertising
Canners Advertising Advisory
Canners Legislative
Mutual Advertising Advisory
Mutual Legislative
Florida Fresh Citrus Shippers Legislative

Source: Florida Citrus Commission and Industry Committees, 1960-61, Lakeland, Fla.: Florida Citrus Commission, 1961. (Mimeographed.)

The Director of Advertising and Merchandising is responsible for the development and execution of an effective advertising and merchandising program on Florida citrus fruits and products. He coordinates Commission efforts with those of the advertising and publicity agencies retained by the Commission, approves the advertising and merchandising theme to be incorporated in the annual program, approves final copy for all advertising and merchandising pieces, develops and oversees the annual budget relating to advertising and merchandising, supervises test promotions to determine the effectiveness of merchandising techniques and the sales potential of various citrus products, cooperates with representatives of other citrus producing states in planning national citrus promotions, and supervises the European advertising and merchandising program.

The Advertising Manager supervises all advertising activities of the Commission. He maintains close coordination with representatives of the Commission's advertising and publicity agencies, coordinates with the Merchandising Manager to see that field representatives are fully informed on local Commission advertising activities, approves preliminary print advertising, television film production, and live commercials, projects relating to ethical advertising and consumer publicity, advertising money expenditures, and selection of media and allocation of expenditures among them.

Furthermore, he develops trade brochures, point-of-sale material, and other advertising and merchandising sales aids in cooperation with agency representatives and the Merchandising Manager and screens proposals made by outside organizations which would involve Commission advertising activity.

The Merchandising Manager supervises all field merchandising activities and maintains close coordination with the merchandising departments of advertising agencies retained by the Commission. He develops point-of-sale display pieces for each sales event in conjunction with advertising agency representatives and the Advertising Manager, exercises control over and contact with field merchandising representatives, keeps in touch with the trade to determine the effectiveness of the merchandising men and their programs, prepares merchandising budgets and reports, arranges for Commission participation in national and state conventions, plans and carries out trade luncheons, and handles the development and follow-through of special market test promotions.

The Production Manager supervises the production and distribution of display material. He maintains a stock of display materials, prepares and assembles kits of display material and newspaper mats for special promotions, supplies mats upon request to trade factors, and supervises the distribution of industry films.

The Director of Public Relations prepares and distributes press releases, arranges for meetings with media representatives, writes special news and feature articles on the Florida citrus industry, supervises photographic publicity, industry sound films, and the Florida Citrus Museum, works with other department heads on their public relations requirements, and works with the General Manager in developing new techniques to take information on Commission services to the citrus industry.[14]

Although no detailed job description exists for the Manager of Youth and School Services, his duties seem to consist of working with representatives of the State Department of Education, State Board of Health, Florida Congress of Parents and Teachers, State Dental Association, State Medical Association, University of Florida, Florida State University, State Home Demonstration Office, and the Florida Education Association in developing and implementing a long range, educational health program aimed at increasing the consumption of Florida citrus products by school children. In addition, he handles inquiries from educational institutions relating to juice programs and educational material.[15]

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[14]Homer E. Hooks, "Statement of Policy," (Florida Citrus Commission, August 1, 1957), pp. 1ff. (Mimeographed.)

[15]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1953 (Lakeland, Fla.: Florida Citrus Commission, 1953), p. 16.

The Manager of Special Promotions handles the detail work in connection with conventions in which the Commission participates, edits reports and audits expense accounts and reimbursement vouchers of field merchandising representatives, and maintains a record of special equipment obtained for the use of merchandising men and in their possession.[16]

In these offices, the major promotional activities of the Florida Citrus Commission are carried out. Much of the actual promotional work is done by the advertising and publicity agencies retained by the Commission, but the responsibility for overseeing and coordinating the work of these outside agencies rests with the Commission's staff organization.

General Description of Florida Citrus Commission Promotional Efforts

Promotional efforts of the Florida Citrus Commission are presently confined to advertising, merchandising, and publicity programs developed on a yearly basis and designed to increase consumption of Florida citrus.

Millions of dollars are spent annually to advertise, merchandise, and publicize Florida citrus. This money is raised by a per box tax on oranges, grapefruit, tangerines, and tangelos shipped fresh or processed into other citrus products. All funds of the Florida Citrus Commission are derived from this source.

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[16]Hooks, op. cit., p. 13.

Promotional efforts are aimed at the food, restaurant, and beverage trades, doctors, dentists, dieticians, and all classes of consumers. Separate promotional campaigns are conducted for the trade, professional people, and consumers.

The Florida Citrus Commission retains a consumer advertising agency, an ethical advertising agency, and a publicity agency to do most of the work in the advertising and publicity areas. Merchandising activities are carried on largely by the merchandising staff and field merchandising representatives of the Commission. However, merchandising promotions and merchandising aids are planned in conjunction with advertising agency personnel.

The Commission promotional staff is largely concerned with checking and approving the activities of the outside agencies retained to provide and execute the major promotional schemes. Over-all planning of promotional efforts is a cooperative undertaking involving the Florida Citrus Commission, its staff, various industry advisory committees, and the outside agencies employed to do the major part of the promotional work.

By presenting its advertising messages in various consumer media, the Commission attempts to increase consumption of Florida citrus, not any particular brand. It reinforces advertising efforts through its merchandising and publicity programs.

Commission merchandising field representatives attempt to secure adequate distribution for Florida citrus products in wholesale and retail channels, secure prominent display for Florida citrus at the point-of-sale, and secure dealer tie-in retail advertising and active in-store promotion.

Publicity programs are designed to secure favorable publicity for Florida citrus products and their uses in all forms of media. It is a "soft sell" form of "free" advertising and occupies much unpaid-for space and time in the various media.

Ethical advertising is done through various professional journals in an effort to educate professional people in the nutritional and therapeutic virtues of citrus products and get them to recommend the liberal use of citrus products by those with whom they come in contact. A publicity program is also carried on to get citrus news and ideas into the editorial columns of professional journals and in the programs of commentators in the fields of science and medicine.

A School Education Program was started in 1951 to increase the consumption of Florida citrus products in schools. Educational materials on citrus and orange juice programs have been the major promotional tools used to tap the school market.

The task of supervising and coordinating these various promotional programs is accomplished by the

Florida Citrus Commission and its staff. Just how well the Florida Citrus Commission has succeeded in increasing the consumption of Florida citrus is a point of controversy among various citrus industry groups. However, the controversy should not stop with trying to determine the promotional effectiveness of the Florida Citrus Commission but should include an attempt to analyze past operations in order to discover strengths and weaknesses in Commission activities so that strong points may be further strengthened and weak points eliminated.

CHAPTER IV

DOMESTIC MARKETS FOR FLORIDA CITRUS PRODUCTS

Basic to any promotional campaign is knowledge of the consumer groups making up the market and geographical consumption patterns. Most products are not bought uniformly by all segments of the market. In fact, consumer purchase patterns vary considerably by age, sex, occupation, religion, race, income, education, and geographical location.

In order to secure maximum results from promotional expenditures, a marketing organization must identify the various market segments or groups of users of its product. The consumption potentials of these groups are assessed from short and long range viewpoints. Then, certain of these groups are selected as promotional targets, and all promotional efforts are directed at them.

To proceed otherwise is usually erroneous for products are not consumed at equal and constant rates by all market segments. The market segments that are selected for cultivation provide the key to many aspects of the promotional program such as objectives, themes, copy and art treatments, media, and appeals. These aspects of the promotional program can be intelligently

designed only in view of the market segments they are designed to reach and influence. Therefore, identification of the market segments to be cultivated must be accomplished before any promotional activities are undertaken, for these activities assume importance only in light of the market segments they are designed to influence.

The following discussion compares the way the Florida Citrus Commission segments the market for Florida citrus products with current marketing thought on market segmentation. This discussion centers around five main topics: (1) Need for Segmenting the Market for Florida Citrus Products; (2) Characteristics of Citrus Buying Families; (3) Lack of Full Market Segmentation by the Florida Citrus Commission; (4) Geographic Markets for Fresh Florida Citrus Fruit; and (5) Geographic Markets for Processed Florida Citrus Fruit.

Need for Segmenting the Market for Florida Citrus Products

Market segmentation consists essentially of viewing a large, heterogeneous market as a group of smaller homogeneous markets brought about by differing product preferences among consumer groups. It is based upon developments on the demand side of the market and represents a rational and precise adjustment of product and marketing effort to consumer or user requirements. In

economic language, segmentation is disaggregative in its effects and leads to the recognition that several demand schedules are present instead of only one.[1]

In order to secure maximum results from its promotional activities, the Florida Citrus Commission should segment the market for Florida citrus products. The importance of segmenting markets on as many significant factors as necessary is emphasized by marketing authorities. In their book, Advertising Theory and Practice, C. H. Sandage and Vernon Fryburger have this to say:

> Advertising is often characterized as a means of selling to the masses. This leads to the popular misconception that advertising is directed to everyone. But obviously, people of all ages, of all income levels, of all occupations, of all places, and from all walks of life do not live by the same scale of values. Therefore, no product is consumed by everyone at the same rate and no advertisement is equally appealing to everyone.
>
> Instead of appealing to one big heterogeneous mass, the advertiser singles out those groups of consumers who are his most promising prospects and concentrates his effort on them. He researches these groups more intensely, designs his messages to fit their way of life, and places his ads in media that reach them efficiently.[2]

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[1]Wendell R. Smith, "Product Differentiation and Market Segmentation as Alternative Marketing Strategies," The Journal of Marketing, XXI, Number 1 (July, 1956), 5f.

[2]C. H. Sandage and Vernon Fryburger, Advertising Theory and Practice (Homewood, Ill.: Richard D. Irwin, Inc., 1958), p. 165.

Burton F. Bowman and Frederick E. McCormick reinforce this view in writing about the way American Cyanamid Company regards its market:

> Our major marketing problems cannot be solved by constructing complex organizational charts or by making broad policy decisions in a national frame of reference. Markets are broken up into segments by geography, climate, purchasing power, habits, needs, competition, and other factors. There are such things as national markets, but these are groups of local markets because local markets are where the customers are.[3]

Ferdinand F. Mauser points out the value of segmenting markets in regard to promotional efforts when he comments, "An even-coverage, non-selective approach for the marketing of most goods and services is wasteful." In addition, he says:

> The test of what is acceptable differs from group to group. In advertising, it is best to segmentize the groups, determine appeal acceptability for each, and then tailor-make advertising best suited for each group. Advertising is most acceptable when it establishes a feeling of kinship with each audience segment.[4]

Wroe Alderson lends his support to the practice of market segmentation when he comments:

> If the company is selling a consumer product, it can classify its ultimate consumers by age and sex, group them

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[3]Burton F. Bowman and Frederick E. McCormick, "Market Segmentation and Marketing Mixes," The Journal of Marketing, XXV, Number 3 (January, 1961), 26.

[4]Ferdinand F. Mauser, Modern Marketing Management (New York: McGraw-Hill Book Company, Inc., 1961), pp. 116ff.

> as users and non-users, or divide them into large users and small users. There are three ways of classifying consumers which seem to have almost universal application to all classes of products--namely by region, by size of the place in which they live, and by family income level. Demand differs by region in accordance with such differences as climate and the racial background of people in the region.[5]

The argument for market segmentation is well summarized by Donald W. Davis in his book Advertising where he says:

> It has been wisely said that U.S.A. stands for the United States of America not for the Uniform States of America. Population density, incomes, occupations, climate, and living habits--all these and many other factors differentiate the quality and character of individual markets within the boundaries of our nation.[6]

Therefore, many marketing authorities agree that promotional efforts are most effective when directed at specific market segments. The market groups to be cultivated form the key to selecting proper appeals, writing copy, creating illustrative material, and selecting media. The Florida Citrus Commission would do well to follow the advice of these authorities and segment the market for citrus products into consumer groups because these groups are the cornerstone of effective promotional efforts.

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[5]Wroe Alderson, Marketing Behavior and Executive Action (Homewood, Ill.: Richard D. Irwin, Inc., 1957), p. 358.

[6]Donald W. Davis, Advertising (Pleasantville, N.Y.: Printers' Ink Books, 1955), p. 478.

Characteristics of Citrus Buying Families

In a report prepared for the Advertising Advisory Committee of the Florida Canners Association, Dr. W. E. Black, Director of Economic and Marketing Research for the Florida Citrus Commission, developed purchase patterns for various types of Florida citrus products based on data furnished by The Market Research Corporation of America.[7] In this report, Dr. Black developed 1960 consumer group profiles for Florida citrus products by region, city size, education, occupation, economic class, age of housewife, presence of children, and family size. These profiles show the extent to which various family groups are above or below the average United States family in regard to purchases of various citrus products. By referring to these profiles, it can be seen that certain consumer groups made greater than average purchases of each citrus product in 1960, and these groups are shown in Table 4.

By referring to Table 4, it can be seen that families, who purchase greater amounts of citrus products than the average United States family, differ considerably from product to product. The characteristics of above-average family purchasers of frozen orange concentrate are compared

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[7]W. E. Black, Consumer Purchase Trends and Patterns for Citrus Products. (Report prepared for the Advertising Advisory Committee, Florida Canners Association, June 7, 1961), pp. 1ff.

TABLE 4

CHARACTERISTICS OF FAMILIES PURCHASING MORE CITRUS PRODUCTS OF VARIOUS TYPES THAN THE AVERAGE U.S. FAMILY IN 1960

Family Characteristic	Fresh Oranges	Fresh Grapefruit	Frozen Orange Concentrate
Age of housewife	35 & over	45 & over	35 to 44
Family size	4 & over	1 to 2	4 & over
Presence of children	6 to 12 years	No children	6 to 20 years
Education	College	College	High School and over
Occupation	Professional, executive, clerical, sales or retired	Professional, executive, clerical, sales or retired	Professional, executive, clerical, or retired
Economic class	High	High or lower middle	High or upper middle
City size	500,000 & over	100,000 & over	100,000 & over
Region	Northeast	Northeast & Pacific	Northeast

Source: W. E. Black, Consumer Purchase Trends and Patterns for Citrus Products. (Report prepared for the Advertising Advisory Committee, Florida Canners Association, June 7, 1961), pp. 2ff.

TABLE 4 (extension)

Chilled Orange Juice	Canned Single Strength Orange Juice	Canned Single Strength Grape-Fruit Juice	Grapefruit Sections
45 & over	45 & over	45 & over	45 & over
3 to 5	4 & over	1 to 2 or 6 & over	1 to 2
6 to 12 years	6 to 20 years	None, or 6 to 12	No children
High School and over	Grammar School	Grammar School or College	High School or College
Professional, executive, clerical, sales, craftsman, or laborer	Craftsman, laborer, or retired	Professional, executive, or retired	Professional, executive, clerical, sales, craftsman, or laborer
High or lower middle	Low	High or lower middle	High or low
500,000 & over	Farm or under 10,000	500,000 & over	10,000 to 100,000 or 500,000 & over
Northeast	South	Northeast & South	Northeast, North Central & Pacific

to those of above-average family purchasers of canned single strength orange juice in Table 5.

This table shows that frozen orange concentrate sells best to families that live in cities of 100,000 or over in the Northeast. The breadwinner's occupation is professional, executive, clerical, or sales, and his educational level is from high school through college. The family belongs to either the high or the upper middle economic class, and the housewife's age is from 35 to 44.

In contrast, canned single strength orange juice sells best to families that live on the farm or in cities under 10,000 in the South. The occupation of the breadwinner is craftsman, laborer, or retired, and he has a grammar school education. The family is a member of the low economic class, and the housewife's age is 45 or over.

To promote both products on the assumption that prime family users are alike would be foolhardy. The family groups that are the best customers for frozen orange concentrate are not the best customers for canned single strength orange juice. They differ in many characteristics and undoubtedly in their needs, wants, and desires. Advertising appeals, copy, art, and media that might be effective in reaching and selling one group may easily be completely ineffective in reaching and selling the other. The great mass of consumers for any product is not alike, and some groups of consumers are better customers, or better potential customers, than others for almost any product. Therefore, the Florida

TABLE 5

PURCHASES OF FROZEN ORANGE CONCENTRATE AND CANNED SINGLE STRENGTH ORANGE JUICE BY FAMILY CHARACTERISTIC, 1960
(Percentage Deviation from U.S. Average Purchases)[a]

Family Characteristic	Frozen Orange Concentrate	Canned Single Strength Orange Juice
Age of housewife:		
Under 35 years	None	- 6%
35 - 44 years	19%	- 8
45 years and over	- 7	5
Family size:		
1 to 2 members	- 29	- 28
3 members	- 4	5
4 to 5 members	47	26
6 members and over	13	35
Presence of children:		
No children	- 21	- 13
Children under 6 years	- 10	- 1
Children 6 to 12	48	46
Children 13 to 20	9	13
Education:		
Grammar School	- 38	42
High School	8	- 23
College	53	- 27
Occupation:		
Professional-Executive	49	- 34
Clerical-Sales	22	- 22
Craftsman-laborer	- 8	8
Farmer	- 56	- 3
Unclassified (retired)	- 25	32
Economic Class:		
High	47	- 15
Upper middle	11	- 10
Lower middle	- 12	None
Low	- 41	21
City Size:		
Farm	- 57	54
Under 10,000	- 26	42
10,000 - 100,000	- 2	- 10
100,000 - 500,000	5	- 17
500,000 and over	34	- 32

TABLE 5 (continued)

Family Characteristic	Frozen Orange Concentrate	Canned Single Strength Orange Juice
Region:		
Northeast	41	- 20
South	- 34	86
North Central	None	- 19
Mountain and Southwest	- 24	- 17
Pacific	- 15	- 51

Source: W. E. Black, Consumer Purchase Trends and Patterns for Citrus Products. (Report prepared for the Advertising Advisory Committee, Florida Canners Association, June 7, 1961), pp. 2ff.

[a]In 1960, United States average purchases were 1.316 gallons per family for frozen orange concentrate and 41.04 ounces per family for canned single strength orange juice.

Citrus Commission should utilize Dr. Black's study to identify those groups which are the strong and weak purchasers of various citrus products marketed by the Florida citrus industry and use this information to set promotional objectives and plan and carry out promotional strategies.

Lack of Full Market Segmentation by the Florida Citrus Commission

In the past, Commission promotional expenditures have not been directed at pre-selected market targets. In fact, the Commission has pursued the philosophy that "Our market consists of men and women of all ages and income groups."[8]

In a presentation to the Florida citrus industry by a representative of J. Walter Thompson Company, an advertising agency formerly employed by the Commission, it was stated "Research tells us that 98 per cent of the families in this country buy citrus fruits one or more times during the course of a year. This means that our market in the United States embraces virtually every family." Further on in the presentation, it is noted that not all of Florida's markets for citrus fruits are alike, and Florida citrus fruits sell at different rates in different regions of the country. It is also noted that the best customers for Florida citrus, fresh, canned, and frozen, are in the

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[8]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1951 (Lakeland, Fla.: Florida Citrus Commission, 1951), p. 5.

cities and that the prime customer for citrus fruits is located in towns of 10,000 population and over. From this data, J. Walter Thompson stated its position as:

> We believe you can get the greatest value out of your advertising dollar by spending it to reach those who already accept your product at a high level and getting them to increase their acceptance, rather than working on people who for various competitive reasons will offer more resistance.[9]

However, J. Walter Thompson Company stopped at segmenting markets by regional sales patterns and did not segment out the market for Florida citrus products by age, sex, occupation, religion, and other factors that might have a bearing on citrus consumption by consumer groups. In fact, this advertising agency stated "We do not feel that enough money is available for advertising citrus fruit at this time to go after any special group of families."[10]

Benton and Bowles, Inc., the Commission's advertising agency from 1943 to 1950 and from 1955 to the present, is even less explanatory on this point when it says:

> Insofar as possible, each processed campaign has been tailored to the national distribution and sales

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[9]John H. Forshew, "Discourse on Presentation to the Florida Citrus Fruit Industry." A report presented to members of the Florida citrus industry, New York, June 24, 1952, pp. 2ff. (In the files of J. Walter Thompson Company.)

[10]Ibid., p. 15.

> pattern of the individual product. Advertising for each product has been directed to the product's most natural and responsive market.[11]

Further information on market segmentation for Florida citrus products could not be secured from these two advertising agencies, but it seems clear that the advertising program of the Florida Citrus Commission has been directed toward regional sales patterns and not toward specific groups of consumers carefully ferreted out for their sales potential in regard to individual Florida citrus products. A "blanket," or "shotgun," approach to advertising was utilized except that markets were segmented on the basis of city size and regional sales potential.[12]

Geographic Markets for Fresh Florida Citrus Fruit

Most of Florida's fresh citrus is sold east of the Rocky Mountains. California, Arizona, and Texas are also citrus producing states and have a freight cost advantage

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[11] Annual Marketing Plan for Florida Citrus Commission 1957-58 (New York: Benton and Bowles, Inc., 1957). (Mimeographed.)

[12] A "blanket," or "shotgun," approach means that promotional efforts were not aimed at specific market segments but at the market in general.

in serving Western markets. California is a large producer of oranges, and most of its orange crop is consumed in fresh form. Texas, during normal years, furnishes the Western states with fresh grapefruit. Therefore, Florida is at a competitive disadvantage in furnishing fresh citrus fruit to Western states but has a competitive advantage in serving Midwestern and Eastern markets. A study of Table 6 will pinpoint the best consuming states of fresh Florida citrus.

State markets for fresh Florida citrus

By referring to Table 6, it can be seen that Florida's top twenty-four fresh orange markets are all east of the Rocky Mountains, and most are east of the Mississippi River. The weakest markets for Florida fresh oranges are in the West with no cars of fresh oranges being unloaded in the bottom four markets of Arizona, Idaho, Nevada, and Wyoming during the 1959-60 Florida fresh orange shipping season.[13] In fact, the eleven Western states of Washington, California, Colorado, Oregon, Utah, Montana, New Mexico, Arizona, Idaho, Nevada, and Wyoming accounted for only 240 cars of Florida fresh orange unloads, or less than 1 per cent of the national total. In contrast, the top five markets for fresh Florida

[13]This table does not take transshipments of fresh Florida citrus from state to state into account, and no figures are available on such transshipments.

TABLE 6

STATE MARKETS FOR FLORIDA FRESH CITRUS FRUIT RANKED BY CARS UNLOADED, 1959-60 SEASON[a]

STATE	FRESH ORANGES			FRESH GRAPEFRUIT			FRESH TANGERINES		
	Rank	Cars[c]	Per cent	Rank	Cars[c]	Per cent	Rank	Cars[c]	Per cent
New York	1	5,206	18.6	1	5,595	21.3	1	824	23.8
Pennsylvania	2	3,432	12.3	2	2,789	10.7	2	436	12.6
Ohio	3	1,722	6.2	3	1,730	6.6	3	249	7.2
Georgia	4	1,601	5.7	9	626	2.4	10	107	3.1
Illinois	5	1,511	5.4	4	1,727	6.6	5	178	5.1
North Carolina	6	1,427	5.1	10	619	2.4	6	161	4.6
Massachusetts	7	1,264	4.5	7	1,218	4.7	4	183	5.3
Maryland	8	1,237	4.4	8	853	3.3	8	119	3.4
Alabama	9	1,081	3.9	18	355	1.4	15	70	2.1
Tennessee	10	1,061	3.8	13	543	2.1	12	84	2.5
South Carolina	11	933	3.3	21	293	1.1	13	78	2.3
Michigan	12	856	3.1	6	1,219	4.7	7	147	4.2
Virginia	13	843	3.0	14	538	2.1	11	85	2.5
Indiana	14	662	2.4	11	606	2.3	9	109	3.1
Eastern Canada[b]	15	574	2.1	5	1,647	6.3	16	64	1.8
New Jersey	16	564	2.0	17	464	1.8	23	32	0.9
Louisiana	17	558	2.0	26	206	0.8	22	32	0.9
Kentucky	18	485	1.7	22	272	1.0	21	36	1.0
District of Columbia	19	343	1.2	23	269	1.0	20	38	1.1
Missouri	20	324	1.2	12	593	2.3	17	57	1.6
Connecticut	21	322	1.2	20	301	1.2	19	48	1.4
Mississippi	22	286	1.0	40	52	0.2	30	11	0.3
Wisconsin	23	272	1.0	15	511	2.0	18	48	1.4

TABLE 6 (continued)

STATE	FRESH ORANGES			FRESH GRAPEFRUIT			FRESH TANGERINES		
	Rank	Cars[c]	Per cent	Rank	Cars[c]	Per cent	Rank	Cars[c]	Per cent
West Virginia	24	248	0.9	31	138	0.5	26	24	0.7
Texas	25	235	0.8	29	175	0.7	14	72	2.1
Rhode Island	26	144	0.5	32	120	0.5	25	29	0.8
Minnesota	27	124	0.4	16	505	1.9	24	31	0.9
Iowa	28	102	0.4	19	324	1.2	29	14	0.4
Arkansas	29	72	0.3	35	92	0.4	31	9	0.3
Washington	30	70	0.3	27	200	0.8	27	17	0.5
California	31	62	0.2	25	255	1.0	36	5	0.1
Colorado	32	58	0.2	30	172	0.7	28	16	0.5
Oklahoma	33	43	0.2	39	63	0.2	33	8	0.2
Maine	34	38	0.1	37	76	0.3	38	5	0.1
Oregon	35	32	0.1	33	110	0.4	37	5	0.1
Nebraska	36	29	0.1	28	186	0.7	34	8	0.2
Western Canada[b]	37	25	0.1	24	260	1.0	32	8	0.2
Kansas	38	22	0.1	36	78	0.3	35	7	0.2
North Dakota	39	22	0.1	38	72	0.3	39	3	0.1
Utah	40	9)		34	101	0.4		0)	
Delaware	41	6)		45	4)		43	1)	
Montana	42	6)		42	21)		42	1)	
South Dakota	43	4)		41	34)		40	3)	
New Mexico	44	3)		43	18)		41	2)	
New Hampshire	45	2)	0.1	46	4)			0)	

TABLE 6 (continued)

STATE	FRESH ORANGES			FRESH GRAPEFRUIT			FRESH TANGERINES		
	Rank	Cars[c]	Per cent	Rank	Cars[c]	Per cent	Rank	Cars[c]	Per cent
Vermont		0		48	1)			0)	
Arizona		0			0)			0)	
Idaho		0		44	15)			0)	
Nevada		0			0)			0)	
Wyoming		0		47	1)	0.4		0)	0.2
TOTAL		27,920	100.0		26,051	100.0		3,464	100.0

Source: Summary of Unloads of Florida Fresh Citrus Fruit in Various United States and Canadian Markets (Lakeland, Fla.: Florida Citrus Commission, July 18, 1960), pp. 4ff.

[a]Seasons extend from September 1 through May 31.

[b]The Florida Citrus Commission regards Eastern Canada and Western Canada as extensions of the domestic market.

[c]Cars include shipments by railroads, trucks, and boats. Truck and boat shipments are converted to railway cars.

oranges consisting of New York, Pennsylvania, Ohio, Georgia, and Illinois had 13,472 cars of fresh Florida oranges unloaded, or 48.2 per cent of the United States total.

Unloads of fresh Florida grapefruit show approximately the same state pattern. The top five state markets of New York, Pennsylvania, Ohio, Illinois, and Eastern Canada took 13,488 car unloads, or 51.5 per cent of the total, while the previously mentioned eleven Western states took 893 car unloads, or less than 4 per cent.[14]

The same pattern is repeated in fresh Florida tangerines. The top five state markets of New York, Pennsylvania, Ohio, Massachusetts, and Illinois recorded car unloads of fresh Florida tangerines as 1,870, or 54 per cent of the national total of fresh Florida tangerine unloads compared with 46 car unloads, or less than 2 per cent of the total for the eleven Western states.

Even though part of this great concentration of fresh Florida citrus car unloads in areas in the eastern half of the United States can be explained by the much greater population of these states, the entire answer does not lie here. California, which was the second ranking state in United States population in 1960, had only

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[14]For marketing purposes, the Florida Citrus Commission considers Eastern and Western Canada as extensions of the United States market.

0.2 per cent of the fresh Florida orange, 1 per cent of the fresh Florida grapefruit, and 0.1 per cent of the Florida tangerine total car unloads while comparable figures for North Carolina, the twelfth ranking state in United States population, were 5.1 per cent for fresh Florida oranges, 2.4 per cent for fresh Florida grapefruit, and 4.6 per cent for fresh Florida tangerines. Obviously, besides population, other factors such as preferences or tastes of consumers, amounts of money income which the buyers have to spend, prices of substitute commodities, and the prices of citrus fruits from competing states account for the variations in fresh Florida citrus car unloadings by state.

City markets for fresh Florida citrus

As would be expected, car unloads of fresh Florida citrus by city are also concentrated in the eastern half of the United States. The top twenty cities in regard to fresh Florida citrus car unloads are shown in Table 7.

Most of these cities are heavily populated, and many are undoubtedly fresh fruit distribution centers for their state and surrounding areas. However, it is interesting to note that 60.2 per cent of fresh Florida oranges, 61.5 per cent of fresh Florida grapefruit, and 64 per cent of fresh Florida tangerines total car unloads are in twenty cities.

TABLE 7

TOP TWENTY CITY MARKETS FOR FRESH FLORIDA CITRUS FRUIT[a]

City	FRESH ORANGES Rank	Cars[b]	Per cent	FRESH GRAPEFRUIT Rank	Cars[b]	Per cent	FRESH TANGERINES Rank	Cars[b]	Per cent
New York City (includes Newark)	1	3,761	13.5	1	4,101	15.7	1	684	19.7
Philadelphia	2	1,928	6.9	2	1,520	5.8	2	204	5.9
Chicago	3	1,307	4.7	3	1,439	5.5	4	150	4.3
Boston	4	1,018	3.6	4	1,044	4.0	3	167	4.8
Baltimore	5	939	3.4	9	608	2.3	8	92	2.7
Atlanta	6	890	3.2	11	403	1.5	11	60	1.7
Birmingham	7	616	2.2	-	-	-	16	42	1.2
Pittsburgh	8	612	2.2	7	694	2.7	5	124	3.6
Detroit	9	610	2.2	5	849	3.3	6	104	3.0
Cleveland	10	582	2.1	8	629	2.4	7	101	2.9
Columbia, S.C.	11	513	1.8	-	-	-	14	53	1.5
Raleigh - Durham	12	513	1.8	20	252	1.0	13	57	1.6
Cincinnati	13	463	1.7	12	381	1.5	9	61	1.8
New Orleans	14	439	1.6	-	-	-	-	-	-
Louisville	15	401	1.4	-	-	-	-	-	-
Indianapolis	16	389	1.4	16	335	1.3	10	61	1.8
District of Columbia	17	343	1.2	19	269	1.0	18	38	1.1
Buffalo	18	320	1.1	13	362	1.4	12	58	1.7
Bridgeport-New Haven-Hartford	19	314	1.1	18	294	1.1	15	48	1.4
Greenville-Spartanburg	20	287	1.0	-	-	-	-	-	-

TABLE 7 (continued)

City	FRESH ORANGES Rank	Cars[b]	Per cent	FRESH GRAPEFRUIT Rank	Cars[b]	Per cent	FRESH TANGERINES Rank	Cars[b]	Per cent
Toronto	-	-	-	6	808	3.1	19	36	1.0
Montreal	-	-	-	10	519	2.0	-	-	-
Minneapolis-St. Paul	-	-	-	14	359	1.4	-	-	-
St. Louis	-	-	-	15	349	1.3	17	40	1.2
Milwaukee	-	-	-	17	313	1.2	-	-	-
Scranton	-	-	-	-	-	-	20	36	1.0

Source: Abstracted from: Summary of Unloads of Florida Fresh Citrus Fruit in Various United States and Canadian Markets (Lakeland, Fla.: Florida Citrus Commission, July 18, 1960), pp. 10ff.

[a]Seasons extend from September 1 through May 31.

[b]Cars include shipments by railroads, trucks, and boats. Truck and boat shipments are coverted to railway cars.

Promotional implications of a geographic analysis of fresh Florida citrus car unloadings

It would appear to be a reasonable assumption that car unloads of fresh Florida citrus by state closely approximate consumption of fresh Florida citrus in those states. Therefore, the greatest part of the fresh Florida citrus promotion funds should be spent in those high consumption states if a promotional policy of "playing the winners" is to be pursued. Copy appeals, media, art treatments, merchandising promotions, and publicity efforts should be developed for and aimed at those high consumption areas.

The Florida Citrus Commission, its staff, and its advertising agencies have recognized the geographic differences in consumption of fresh Florida citrus and have promoted accordingly. Local newspapers, Sunday newspaper magazine sections, and local radio and television stations have been used for the advertising of fresh Florida citrus during the shipping seasons. Fresh citrus fruit advertisements have been coordinated with intensive merchandising and publicizing of fresh Florida citrus on a local market basis. For example, in the 1959-60 fresh Florida citrus fruit shipping season, two color and black and white newspaper advertisements ran in 141 newspapers in ninety-four markets for fresh oranges, in 141 newspapers in 102 markets for fresh grapefruit, and in

ninety newspapers in sixty fresh tangerine markets. Advertising, merchandising, and publicity efforts were coordinated to secure maximum market impact.[15]

The Florida Citrus Commission has promoted fresh Florida citrus primarily in local media to take advantage of geographic consumption patterns. The top markets for fresh Florida citrus have been identified by examining car unloads, and those markets have been subject to intensive promotional efforts during peak shipping seasons. Local and regional media are used to avoid the waste circulation or audience of national media and to secure tie-in advertisements from retailers and wholesalers. Merchandising representatives secure fresh citrus fruit displays and otherwise promote fresh Florida citrus while publicity is secured in local media. These three promotional tools are coordinated to secure maximum sales impact in top geographical markets.

Geographic Markets for Processed Florida Citrus Products

When Florida growers marketed the majority of their citrus fruits in fresh form, promotional efforts were necessarily almost entirely restricted to markets east of the Rocky Mountains. As the Florida citrus industry

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[15]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1960 (Lakeland, Fla.: Florida Citrus Commission, 1960), pp. 19ff.

shifted to processing the greatest percentage of the orange and grapefruit crops, the markets for those products were not subject to the former geographic limits imposed by local raising of citrus, perishability, or freight rates.[16]

This broadening of the market brought about by canning, concentrating, freezing, and otherwise processing citrus fruits was well stated by the Florida Citrus Commission when it said:

> No longer is the sale of Florida citrus products confined by the area into which fruit can be shipped without great loss. The increasing amount of citrus fruits processed into canned juice, concentrate, and frozen concentrated juice, sections, salads, and similar offerings has broken the boundaries of previous markets.[17]

In 1954, J. Walter Thompson Company, the Commission's advertising agency, stated:

> Today Florida accounts for about 95 per cent of the frozen concentrated orange juice sold in this country and about 80 to 90 per cent of all other canned citrus.[18]

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[16]Tangerines are still sold primarily in fresh form but since Florida is the only United States producer of commercial tangerines, the geographical market for this fresh fruit is broader than for fresh oranges or grapefruit.

[17]Consumer Advertising Program for the 1948-49 Season (Lakeland, Fla.: Florida Citrus Commission, 1949), p. 3.

[18]John Drukker, "Florida Citrus Commission," (New York: J. Walter Thompson Company, December 27, 1954), p. 4.

The shift from marketing almost entirely fresh Florida citrus to marketing the greatest percentage of Florida's citrus crop in processed form is shown in Tables 8 and 9. Florida currently markets about 76 per cent of its orange crop in processed form as compared to 25 per cent for California and 18 per cent for Texas. Florida also processes about 51 per cent of its grapefruit crop while Texas, Florida's only major grapefruit competitor, processes only 28 per cent of its grapefruit crop.

Florida has a pronounced competitive advantage over California in processing its orange crop because Florida oranges are of a variety that yields more juice. Primarily navel oranges are raised in California, and these oranges are not generally adapted to processing.[19] The 1951 freeze set back Texas processing of its orange crop, and most of the state's orange crop is still marketed in fresh form.

The development of frozen citrus concentrate in the 1943-44 citrus fruit season by Dr. L. G. MacDowell of the Florida Citrus Commission and Dr. A. L. Stahl of the University of Florida Agricultural Experiment Station gave a great boost to the processing of Florida citrus

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[19]Kenneth E. Ogren, "An Analysis of Consumer Demand for Fresh Citrus Fruits, Frozen Concentrated Orange Juice and Selected Canned Fruit Juices" (Ph.D. dissertation, University of Minnesota, 1951), p. 16.

TABLE 8

FRESH AND PROCESSED PERCENTAGE UTILIZATION OF ORANGES OF FLORIDA, CALIFORNIA, AND TEXAS FROM 1930-60

Period	Florida Five Year Average Percentages			California Five Year Average Percentages			Texas Five Year Average Percentages		
	Fresh	Processed	Total	Fresh	Processed	Total	Fresh	Processed	Total
1930-35	99	1	100	93	7	100	100	0	100
1935-40	94	6	100	88	12	100	99	1	100
1940-45	78	22	100	86	14	100	99	1	100
1945-50	52	48	100	76	24	100	92	8	100
1950-55	35	65	100	74	26	100	76	24	100
1955-60	24	76	100	75	25	100	82	18	100

Source: W. E. Black, "The Citrus Industry in the Sixties" (Speech given to the Florida Citrus Production Credit Association, March 21, 1961.)

TABLE 9

FRESH AND PROCESSED PERCENTAGE UTILIZATION OF GRAPEFRUIT OF FLORIDA AND TEXAS FROM 1930-60

	Florida Five Year Average Percentages			Texas Five Year Average Percentages		
Period	Fresh	Processed	Total	Fresh	Processed	Total
1930-35	78	22	100	93	7	100
1935-40	57	43	100	44	56	100
1940-45	38	62	100	55	45	100
1945-50	38	62	100	58	42	100
1950-55	53	47	100	50	50	100
1955-60	49	51	100	72	28	100

Source: W. E. Black, "The Citrus Industry in the Sixties." (Speech given to the Florida Citrus Production Credit Association, March 21, 1961.)

as this product eventually became the "frozen orange juice" and "frozen grapefruit juice" so well known by today's consumers.[20] The effect of this new product on the processing of Florida oranges can be inferred from a recent statement by the advertising manager of the Florida Citrus Commission which said, "Frozen orange concentrate is today responsible for the utilization of nearly 65 per cent of our total orange crop."[21]

Frozen grapefruit concentrate did not have as great an effect on the processing of Florida grapefruit as "frozen grapefruit juice" never attained the popularity of "frozen orange juice" with United States consumers. However, as shown in Table 9, the five year average of Florida's grapefruit crop being processed increased from 43 per cent in 1935-40 to 62 per cent in 1940-45, an increase which was maintained through 1945-50.

Promotional significance of a broader geographic market for Florida processed citrus products

Since Florida has a definite competitive advantage over California in regard to juice content of oranges and the Texas orange crop has not recovered sufficiently from

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[20]James T. Hopkins, Fifty Years of Citrus (Gainesville, Fla.: University of Florida Press, 1960), p. 195.

[21]Hal S. Gardner, "Advertising and Promotion of Citrus Products." (Speech made to the Conference on Marketing Policy, North Carolina State College, February 23, 1961). p. 10.

the 1951 freeze, Florida serves a nationwide market with its processed products.

This national market is clearly recognized by the Florida Citrus Commission as is indicated in its reports to Florida's citrus industry. One report in 1949 stated:

> The Pacific coast is a market for processed Florida citrus products with a sales volume approximately that of New England. As nearly as can be determined, Florida canned citrus juices command about half of the total sales in California now.[22]

Another Commission report in 1953 made a similar point:

> The 1952-53 season has stressed a further expansion of Florida's markets for processed citrus products. Today, over 60 per cent of Florida's citrus crop is sold the year around from coast-to-coast, either frozen or canned.[23]

This national market for Florida processed citrus products has pronounced effects on the geographic promotion of these products. Media such as national magazines, network radio, and network television can carry advertising and publicity messages on Florida processed citrus without the extensive waste circulation in areas west of the Rocky Mountains. Merchandising representatives can

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[22]Consumer Advertising Program for the 1948-49 Season, op. cit., p. 3.

[23]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1953 (Lakeland, Fla.: Florida Citrus Commission, 1953), p. 4.

profitably be maintained in Western markets to secure displays and retail tie-in advertising. The limitations of the geographic market for fresh Florida citrus no longer apply, and Florida processed citrus products can be promoted as nationally consumed products.

Conclusions

The Florida Citrus Commission has promoted fresh and processed citrus fruit as two separate categories. Fresh fruit promotions have been timed to marketing seasons and have been conducted on local and regional bases, primarily in areas East of the Rocky Mountains. On the other hand, processed citrus fruit promotions have been conducted year around on a national basis, taking peak consumption periods for processed citrus products into account.

The major weakness of the promotional strategy of the Commission has been its failure to segment out the market for Florida citrus products and design its promotional efforts on each citrus product to tailor-fit the high consumption group. Such groups as ulcer patients, heart patients, and persons with circulatory problems, may benefit from citrus in their diets. The Commission should identify and assess the consumption potential of such groups. By not tailoring promotional efforts to specific market segments, the Commission has weakened its promotional programs in regard to appeals, themes, copy and art treatments, and media.

CHAPTER V

PROMOTIONAL OBJECTIVES AND OVER-ALL POLICIES

There is a tendency on the part of laymen to use the term advertising to mean all forms of promotional efforts when, in reality, advertising is only one element of the sales mix. Other elements are personal selling, sales promotion, and publicity.

Each of these elements may have a different place in the over-all promotional program of the seller. It is the seller's responsibility to assign specific tasks to each element of his sales mix within the framework of the general marketing program and over-all marketing objectives. How well he succeeds in doing this has considerable influence upon the effectiveness of any promotional programs attempted.

In regard to selecting the proper sales mix, one marketing authority has this to say:

> The seller must decide which selling devices he will use--personal salesmen, advertising, premiums, trading stamps, store displays, general publicity. . . . Perhaps all are

> important. If so, how shall the sales expense budget be divided between them?[1]

In his book Advertising, Albert W. Frey makes this point:

> The layman often has the mistaken notion that the purpose of advertising is "to sell products and services." Advertising seldom sells goods--it can only assist in the sale. It can help in predisposing people to buy. This point is sometimes emphasized in such statements as "advertising success depends less upon advertising than it does upon the other components of the mix" and "advertising is an order-helper rather than an order getter."[2]

It is desirable to coordinate and integrate the elements of the sales mix in a written marketing program containing over-all marketing objectives, specific objectives for each element of the sales mix, methods and means of reaching the objectives, and policies to guide the program. The extent to which the Florida Citrus Commission has developed such a program will be analyzed under the following main topics: (1) Lack of a Florida Citrus Commission written marketing program; (2) Desirability of a written marketing program; (3) Desirability of long and short range objectives; (4) Basic promotional

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[1]Paul D. Converse, Harvey W. Huegy and Robert V. Mitchell, Elements of Marketing (Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1958), p. 166.

[2]Albert W. Frey, Advertising (New York: The Ronald Press Company, 1961), p. 20.

objectives of the Florida Citrus Commission; and (5) Promotional policies of the Florida Citrus Commission.

Lack of a Florida Citrus Commission Written Marketing Program

The Florida Citrus Commission does not operate under a written, yearly marketing program. Commission consumer advertising agencies have presented "Annual Marketing Plans" in various years, but these plans are mainly a justification of advertising expenditures in various ways by the agency. They do not contain specific objectives nor do they coordinate advertising, merchandising, and publicity efforts into a unified program aimed at specific market targets.

The Commission develops its promotional program in a series of meetings between the Commission, its staff, promotional agencies, and various industry groups. No comprehensive, written, well-coordinated promotional program evolves from these meetings. Perhaps the Commission does not realize the benefits to be derived from a written, over-all marketing program with specific objectives spelled out along with the means, methods, and policies to be utilized to reach these objectives.

Marketing authorities, both academic and practicing, expound the desirability of utilizing a written marketing plan which incorporates specific objectives for each element of the sales mix as well as specific company

objectives. Therefore, the lack of such a program at the Florida Citrus Commission runs contra to current marketing thinking and the voiced opinions of marketing authorities.

Desirability of a Written Marketing Program

Achieving the optimum mix of sales mix components necessitates the development of a marketing program. This program is a written plan showing detailed marketing goals and describing the broad means of reaching them. It integrates and coordinates the controllable factors in an organization's marketing operations. It weaves the components of the mix together for maximum impact.

Frey makes the following statements in regard to the desirability of a marketing program:

> A marketing program is a written plan specifying marketing goals and describing the broad means of attaining them. It shows where a company wants to arrive and how it intends to get there--the quantity and quality of effort to be exerted. It is a formal presentation of a company's marketing strategy for a period ahead, usually one year. It indicates the spots where tactical decisions will be necessary and points up their nature. It integrates and coordinates the controllable factors in the company's marketing operations, the mix components, so that at all times during the program period, and for the period as a whole, they are interwoven for maximum impact.
>
> Ideally, the programming function is continuous, year round. It does not cease with the preparation and approval of plans for the next year. Once goals and the proposed means of reaching them have been determined and approved and

> the program has been put into action, actual performance is continually measured against the requirements and standards of the program, and necessary corrective action taken.
>
> Putting the program in writing has advantages. More thorough research and analysis are almost sure to precede its formulation. Alternative courses of action are more likely to be given consideration. Omissions and weaknesses show up more clearly. In the making, the written program can be criticized better than one discussed orally. In final form, it leaves no doubt about what is to be done and by whom. . . . The program in writing can be more sensibly revised if revision is necessary. The likely repercussions of a change in one part on other parts are easier to spot. Finally, a written program is a storehouse of information useful for future programming.
>
> The benefits of programming--of integrating and coordinating the marketing components--are many. Realistic goals for the period are established. Guideposts and standards are provided for an effective check on progress; periodic audits of marketing conditions, problems, and opportunities are encouraged. Up-to-date thinking is practically forced upon management.[3]

Russell H. Colley, consultant to the Association of National Advertisers, makes these comments on the desirability of a written marketing plan:

> It is almost impossible to write a sound advertising plan unless and until the basic marketing plan and strategy have been conceived.

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[3] Ibid., pp. 53ff.

> Lack of adequate teamwork between advertising, sales, product development, research, and production has been responsible for more wasted effort and more wasted advertising dollars flushed down the drain than almost any other factor.
>
> The key point is that the advertising plan must be based on and derived from the company's over-all marketing strategy. As a minimum, it should summarize the key points from the over-all marketing strategy, then detail the advertising strategy and program to gear in with the over-all program.[4]

Clarence Eldridge, a pioneer in marketing plans, makes this argument in their favor:

> It helps to integrate all elements. These elements are, or should be, considered in relationship to each other; they are all parts of the grand strategy and no one of them can be evaluated intelligently without a consideration of the others. . . . Advertising strategy, as part of the total promotional strategy, cannot be intelligently determined without a knowledge of the other promotional elements. The various pieces in the promotional pattern must be put together if they are to make sense.[5]

Finally, Herbert B. West, Vice-President of Batton, Barton, Durstine and Osborne, Inc., has this to say on the desirability of having written marketing plans:

> We have referred to marketing plans as written plans. This does not mean they are necessarily presented to the approving authority written as a book. . . . Aside from the presentation, however, the plan

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[4]Russell H. Colley (ed.), Practical Guides and Modern Practices for Better Advertising Management, III (New York: Association of National Advertisers, Inc., 1957), 14ff.

[5]Ibid., p. 188.

> must be available in written form. In no other way can it be contributed to by the various services that are involved in it and followed by them after it is approved.[6]

This sampling of the opinions of marketing authorities on the importance of developing a written marketing program point out the desirability of such a program. One of the major parts of the marketing program is the objectives or goals to be sought.

Desirability of Long and Short Range Objectives

The importance of stating objectives was aptly stated by Colley when he said:

> There's magic in an objective because it causes people to think; it causes people to search for the facts before they leap; it welds people together as a team with a common goal instead of allowing them to fly off in half a dozen different directions. There's magic in an objective because it gives you something tangible against which to measure your progress.[7]

The importance of establishing marketing objectives to focus the different elements of the sales mix on specific targets is further emphasized by Charles E. St. Thomas in a recent collection of writings.

> Instead of working toward such general goals as "increase sales," the advertising manager and his associates can

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[6] Ibid., p. 192.

[7] Ibid., p. 22.

> direct their efforts toward specific objectives such as the development of well-defined markets or the building of a particular type of distribution system.
>
> Advertising plans will become a coordinated part of the total marketing plan, thus assuring more effective use of timing and bringing each facet of advertising into operation when it can best support the other functions of marketing. . . . In essence, advertising and all other marketing functions should team together to accomplish the same objectives, and timing and coordination of all activities become the instruments of achieving this.[8]

Objectives can be divided into general, or long range, objectives and specific, or short range, objectives. Long range objectives involve answering the questions "Where are we going?" and "What are we going to do about it?" These objectives seldom undergo radical change from year to year, and out of them comes the over-all marketing strategy of the company which includes all the important courses of action the company plans to take in the coming years to reach its objectives. Development of the company's long range marketing strategy and the deriving of the advertising strategy from it is one of the most important

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[8]Charles E. St. Thomas, "Increasing the Effectiveness of Advertising," Effective Marketing Action, ed. David W. Ewing (New York: Harper and Brothers, 1958), pp. 69f.

keys to the successful operation of any business that relies heavily on marketing skills.[9]

Short range objectives try to answer the question "What specifically is each promotional campaign striving to accomplish?" According to Herbert West:

> It is all right, even useful, to write general objectives first as a guide. But then you must go back and tighten them up as much as you can. Ask: What share? What increase? What market? Which consumers? What superiority? What trade? What support? And so on. The key to writing objectives is to select from "the spiral of time" one segment beginning with the present and ending three, five, or ten years from now, and prescribe specific objectives for that period of time.
>
> Objectives should be specific elements in a plan which are both realistic and measurable.
>
> The short range objectives will naturally be based directly on attacking a portion of the long range strategic objectives. And there will be detailed objectives for advertising, sales, and collateral marketing activities.[10]

Russell H. Colley joins Herbert West in pointing out the value of establishing specific yearly objectives for promotional activities when he says:

> The great opportunity for increasing advertising productivity lies in clearly and specifically spelling out your

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[9]Russell H. Colley (ed.), Practical Guides and Modern Practices for Better Advertising Management, I (New York: Association of National Advertisers, Inc., 1957), 64f.

[10]Colley, III, op. cit., 239ff.

> advertising objectives and goals. . . . Future goals must be specific. Nebulous goals usually receive nebulous treatment.[11]

Frey further strengthens the argument for specific yearly objectives when he remarks:

> The task of the programmer is clear--to establish marketing goals for the next year and to determine the best means of reaching them; to decide what types of marketing effort are to be exerted, in what quantity, when, and by whom.
>
> Among controllable factors affecting the marketing program are long range objectives and marketing policies. A program's short run goals must be in tune with long range objectives. . . . Short term goals are part of the marketing program and are based on the same information as the rest of the program, always with long term goals in mind. Goals and means to goals are worked out together.
>
> Just as there should be an over-all marketing goal, so, too, should there be a goal for each method or tool component--personal selling, advertising, publicity, and sales promotion. Like marketing goals, advertising goals may be either numerical or non-numerical. . . . Marketing goals should harmonize with company goals, and the goals of each component should harmonize with each other and with over-all marketing goals.[12]

Great difficulty in developing long and short range objectives usually arises because the pressure of everyday work and long established ways of doing things have caused many companies, including some of the "looked-up-to-leaders,"

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[11] Ibid., pp. 20ff.

[12] Frey, op. cit., pp. 57ff.

to delay the job of digging out the facts needed as a basis for long range marketing planning. However, the necessity of establishing long and short range objectives is clearly brought out by Colley in the following:

> The great opportunity for increasing advertising productivity lies in clearly and specifically spelling out your advertising objectives and goals. Reducing the marketing concept and plan to writing is an important aid to clarification and understanding. Once advertising's job, function, and tasks have been spelled out and agreed upon, advertising moves ahead with new vigor and effectiveness.[13]

In summary, advertising is only one part of the sales mix, which is only one part of the over-all marketing program. Over-all marketing objectives, both long and short range, should be determined, and long and short range objectives for each of the elements of the sales mix should be developed and coordinated under over-all marketing objectives. This should all be done in a written, formal marketing plan each year if promotional activities are to achieve maximum effectiveness. A point that bears repeating is that both long range and short range promotional objectives are necessary. Perhaps, it all comes down to sound marketing planning and this was well summed up by William B. Smith, Vice-President in Charge of Advertising, Thomas J. Lipton, Inc., when he said, "Sound planning is based on full possession of evaluated facts,

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[13]Colley, III, op. cit., 20.

properly interpreted and translated into a precise, proven statement of problems, opportunities, and specific objectives."[14]

Basic Promotional Objectives of the Florida Citrus Commission

By comparing the promotional objectives followed by the Florida Citrus Commission with the preceding marketing thought concerning objectives, it is possible to analyze Commission objectives in the light of current marketing thought.

In Florida citrus legislation signed into law in 1935, the over-all objectives of promotional programs for oranges, grapefruit, and tangerines were clearly stated. Separate bills for each of these citrus fruits charged the Florida Citrus Commission with planning and conducting commodity advertising campaigns to increase the consumption of oranges, grapefruit, and tangerines. These over-all general objectives were aimed directly at increasing the demand for Florida citrus products.

In The Florida Citrus Code of 1949, objectives were spelled out more specifically as:

> To disseminate information to the consuming public relating to the importance of citrus fruit in preserving public health, the benefits derived in utilizing citrus in the nutrition of children, the economy of citrus in the diet of all

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[14] Ibid., p. 23.

> peoples, the methods and means used in the production and marketing of citrus fruits, the effect upon the public health which would result from a breakdown of the Florida citrus industry, the necessity for producers and dealers to receive a reasonable return for their product, the importance of providing the consuming public at all times with an abundance of high quality citrus fruit at fair prices, the factors of instability peculiar to the citrus fruit industry such as unbalanced production, effect of weather or elements, influence of consumer purchasing power, the comparative cost of other items of food in the normal diet, the necessarily higher cost to the producer and dealer in furnishing a pure and wholesome product to the consuming public due to the high standards imposed by the state through its citrus laws, and all other further and additional information as tends to promote increased consumption of citrus fruit and bring about a better understanding and cooperation among producers, dealers, and the consuming public.[15]

The Florida Citrus Commission has adhered rather strictly to over-all objectives set forth in citrus legislation. Apparently, specific yearly objectives have not been developed and stated for each citrus product as no written statements of such objectives can be found in Commission records.

Consumer advertising objectives

No written, formal statement of consumer advertising objectives prior to the 1943-44 season could be located in

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[15]William C. Pierce, Citrus, Florida Law and Practice (Atlanta, Ga.: The Harrison Company, n.d.), pp. 28-29.

an intensive search of Commission records. Therefore, it is assumed that the Florida Citrus Commission was operating under the long range objective set forth in the basic citrus legislation of 1935, which was "To increase the consumption of Florida citrus."

This assumption is further strengthened by an analysis of the consumer advertising objectives of the Commission based on Table 10. In the 1944-45 season, the Commission stated that its "basic objectives under the law were unchanged." Based on this statement, it seems reasonable to assume that the Commission's basic objectives remained unchanged from the 1935-36 season through the 1944-45 season.

By studying Table 10, it can be determined that the long range objectives of the Commission, over the seventeen seasons for which written objectives were available, fall into four general categories, some of which are mentioned more times than others. The frequency of mention of various objectives is shown in Table 11.

The long range objectives most frequently mentioned were: (1) To increase consumption or per capita consumption of citrus fruits; (2) To dispose of citrus fruit crops at price levels profitable to both the grower and the processor; (3) To develop and expand the market for Florida citrus fruit; and (4) To build in the consumer's mind the need and desire for Florida citrus fruit.

TABLE 10

FLORIDA CITRUS COMMISSION CONSUMER ADVERTISING OBJECTIVES, 1943-44 THROUGH 1960-61

SEASON	CONSUMER ADVERTISING OBJECTIVES
1943-44	To obtain and retain a maximum number of wholesale, retail, and consumer customers for Florida citrus fruits, both fresh and canned to the end that grower investment may be stabilized and held profitable.
1944-45	Basic objectives under the law unchanged.
1945-46	To increase per capita consumption and to find new customers. To push Florida citrus so hard that prices will be kept at a level that returns satisfactory profits to the grower despite plentiful supplies.
1946-47	To attain maximum distribution and consumption of Florida citrus fruits and products in all outlets.
1947-48	Not available.
1948-49	To increase consumption of citrus products in all possible markets and in every possible form. To prove to the public that Florida produces more and better citrus products than any other state in the world.
1949-50	To build in the consumer's mind the need and desire for citrus fruit and especially Florida citrus fruit.
1950-51	To increase the demand for oranges, grapefruit, tangerines, and limes by increasing per capita consumption. To further develop the preference for citrus fruits from Florida.
1951-52	To obtain greater use of citrus by present consumers.

TABLE 10 (continued)

SEASON	CONSUMER ADVERTISING OBJECTIVES
1952-53	To increase per capita consumption of oranges, grapefruit, tangerines, and limes in the United States and Canada. To increase the preference for Florida's citrus products.
1953-54	To increase the consumption of citrus products and further popularize those from Florida.
1954-55	To increase the consumption of citrus fruits and juices by creating more consumer demand.
1955-56	The development and expansion of the market for Florida citrus fruits and products.
1956-57	The development and expansion of markets for Florida citrus in all forms and varieties together with the maintenance and increase in grower and processor profits.
1957-58	The development and expansion of the usage of Florida citrus in its various forms and varieties.
1958-59	The disposition of available quantities of specific crops at price levels profitable to both the grower and the processor. To broaden the base of users and to attract new users for Florida citrus products.
1959-60	The disposition of available quantities of the various citrus products at price levels profitable to both the growers and the processors. To create maximum consumer usage by widening the base of current users and by attracting new users.
1960-61	The development and expansion of markets for all Florida citrus products at profitable price levels to the grower and processor.

Source: Annual reports and records of the Florida Citrus Commission.

TABLE 11

FREQUENCY OF MENTION OF BASIC CONSUMER ADVERTISING OBJECTIVES OF FLORIDA CITRUS COMMISSION FROM 1943-44 THROUGH 1960-61

BASIC OBJECTIVE	FREQUENCY OF MENTION
To increase consumption or per capita consumption of citrus fruits	12
To dispose of citrus fruit crops at price levels profitable to both the grower and the processor	6
To develop and expand the market for Florida citrus fruit	4
To build in the consumer's mind the need and desire for Florida citrus fruit	4
Other	2
TOTAL	28

An analysis of Table 11 reveals that either objectives one or two were mentioned in about 64 per cent of the written basic objective statements. Objective one was specifically incorporated in 1935 citrus legislation and retained in all subsequent revisions of this legislation. Objective two is not specifically mentioned in any Florida citrus legislation. However, it may be derived from passages in Florida citrus laws which have been retained through revisions. These passages stated the purpose of the citrus fruit legislation as "To stabilize and protect the citrus industry of the state" and "To promote the general welfare of the Florida citrus industry."

Evidently, the Florida Citrus Commission has followed citrus legislation to a high degree in the framing of its long range objectives. It seems apparent that the Florida legislature intends for all promotional efforts of the Florida Citrus Commission to be designed to "increase the consumption of Florida citrus fruits" as the legislature did not differentiate between advertising, merchandising, and publicity in the original citrus legislation or any of its revisions. Therefore, it will be assumed that all Florida Citrus Commission promotional programs are operating under this long range objective.

The written, basic objectives of the Commission's promotional programs are too broad and vague to be of much value in guiding year-to-year promotional efforts.

They do not spell out specifically what each promotional program is to accomplish each year. Previously quoted authorities are of the opinion that broad, general objectives are useful as a guide, but they must be pinned down to year-by-year operations through the use of specific yearly objectives incorporated into an over-all marketing plan. The measurement of the effectiveness of each year's advertising, merchandising, and publicity efforts is impossible without specific objectives being framed. In addition, broad, over-all objectives are of little help in guiding the yearly promotional programs of the Commission as there are no specific goals to reach each year, no specific market targets at which to shoot. The lack of specific objectives for advertising, merchandising, and publicity, the three main components of the Commission's sales mix, becomes apparent when the stated objectives for each of these activities are scrutinized.

Basic objectives of the Commission's ethical advertising program

The Florida Citrus Commission advertises through the professional journals to physicians, nurses, dentists, home economists, hospitals, dieticians, and public health officials. This advertising has two basic objectives: (1) To educate these specialists to a full realization of the nutritional and therapeutic virtues of citrus

products; and (2) To enlist their active support and get them to recommend the liberal use of citrus products by those with whom they come in contact.[16]

These are broad, over-all objectives and are of little value in determining the effectiveness of year-to-year ethical advertising efforts as they do not furnish specific quantitative or qualitative objectives on which to work. The ethical advertising program of the Commission is suffering from the lack of specific, year-to-year objectives, and this must be corrected before this program can attain maximum efficiency.

Basic objectives of the Commission's merchandising program

The basic objectives of this program were stated in 1946 as:

> (1) To secure adequate distribution of Florida citrus products in wholesale and retail channels to meet the consumer demand which advertising is expected to create; (2) To secure for Florida citrus products prominent display at the point-of-purchase with special emphasis on the use of the Commission's display material; and (3) To secure dealer support for these products through regular and prominent listing in his own retail advertising and through effective promotion by store personnel.[17]

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[16] Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1951 (Lakeland, Fla.: Florida Citrus Commission, 1951), p. 9.

[17] Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1946 (Lakeland, Fla.: Florida Citrus Commission, 1946), p. 4.

In 1957, the reasons for the maintenance of a merchandising program were given as "To promote a sound relationship between the Florida citrus industry and many retail organizations and to assist these organizations in promoting the sale and use of citrus products in fresh, single-strength canned and frozen concentrate forms."[18]

These, again, are long range objectives, suitable for general guidance, but not specific enough to provide specific market targets or to be used as measuring yardsticks for year-to-year merchandising programs.

Basic objectives of the Commission's publicity program

The Commission operated this program from 1935 to 1953 under one over-all objective as indicated in the following statement. "Since its inception, the goal of this program has been to secure as much 'free' space and time as possible and to insure news about Florida in those publications where advertising either cannot be purchased or sensibly afforded."[19] In 1959, the basic objective of the publicity program was again stated as

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[18]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1957 (Lakeland, Fla.: Florida Citrus Commission, 1957), p. 17.

[19]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1953 (Lakeland, Fla.: Florida Citrus Commission, 1953), p. 14.

"To see to it that Florida citrus products receive consistent, frequent, favorable attention in the nation's food press."[20]

These two broad, over-all publicity objectives are the only written statements that could be found in the Commission's records. Both are long range, or basic objectives, and no specific, written objectives are available.

Basic objectives of the Commission's youth and school program

When this program was first started by the Commission in the 1951-52 season, it was known as the "School Education Program." In 1954, the basic objective of this program was stated as "To increase the consumption of Florida citrus products--fresh, canned, and frozen--so as to keep pace with citrus production." Three phases to the program were developed and each had its own basic objective. These phases and their accompanying objectives were: (1) Public relations phase to stimulate and coordinate the activities of organizations interested in increased use of citrus information and products; (2) Educational phase to develop supplementary teaching materials on citrus for the education of children, parents, and teachers

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[20]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1959 (Lakeland, Fla.: Florida Citrus Commission, 1959), p. 29.

and the presentation of the materials to these groups; and (3) Action phase to create a situation in which citrus consumption becomes a definite part of each child's day.[21]

The "School Education Program" was subsequently renamed "The Youth and School Program." In 1960, a representative of Dudley, Anderson, and Yutzy, the Commission's consumer publicity agency, said that "The primary purpose of the program at this time is to educate school people to the fact that Vitamin C is very necessary, every day, and the most pleasant place to get it is from citrus."[22]

The objectives originally set up for this program and the objective as stated by Dudley, Anderson and Yutzy, are broad, over-all objectives. Therefore, the Commission's Youth and School program suffers from the lack of specific objectives, which runs throughout all Commission promotional activities.

Basic objectives of Commission foreign promotional efforts

No written objectives, long or short range, could be found for Commission foreign promotional efforts. The Canadian market is regarded as an extension of the United

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[21]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1954 (Lakeland, Fla.: Florida Citrus Commission, 1954), p. 19.

[22]Minutes of Meeting of Advertising and Merchandising Committee, December 1, 1960, Florida Citrus Commission, Lakeland, Fla., p. 11. (In the files of the Commission.)

States market by the Commission, and in the 1957-58 season, "Canadian advertising followed the same objectives as in the United States."[23]

Perhaps, European promotional efforts of the Commission are following the same objectives as in the United States. However, no written statement of European objectives were located in a search of Commission records. Therefore, it can only be assumed that such written objectives do not exist.

Promotional Policies of the Florida Citrus Commission

Written policy statements are a necessary part of any marketing program. They furnish day-to-day answers to questions that arise in the execution of the marketing program. They are broad guides, or rules, that predetermine what action, if any, shall be taken when certain questions arise, and they insure uniform answers to those questions and save executive time by making the answers practically automatic.

The Florida Citrus Commission has developed policies for various portions of its promotional activities. These policies are used to guide the promotional programs of the Commission. The present analysis of these Commission

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[23]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1959, op. cit., p. 12.

promotional policies will center around a comparison of what authorities regard as the nature, tasks, and usefulness of policies, and the policies developed by the Florida Citrus Commission.

The nature, tasks, and usefulness of promotional policies

Policies are guides to action and have considerable impact on the marketing program because executives use them to reach uniform decisions regarding this program. Promotional policies are those which affect the sales mix. They help to determine the characteristics of the sales mix, the ways the promotional programs are to be carried out, and often state basic management philosophy.

Sound policies are stated in simple, understandable language. They have stability, flexibility, and the breadth to make them sufficiently comprehensive. They are based on a careful analysis of the organization's objectives and attempt to "make possible the determination of effective, economical relations between functions, physical factors, and personnel on the one hand and business objectives on the other." They are necessary for planning, organizing, and controlling business activities in order to achieve maximum results with minimum costs.[24]

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[24]Ralph C. Davis, The Fundamentals of Top Management (New York: Harper and Brothers, 1951), p. 179.

It is with this understanding of the characteristics and tasks of sound policy that we now turn to the promotional policies developed through the years by the Florida Citrus Commission.

Policy on allocation of funds to various citrus products

This policy has been dictated by legislative action. In the citrus laws of 1935, the legislature specifically stated that promotional taxes collected for oranges were to be spent only on oranges. It also made similar provisions for grapefruit and tangerines. Since the legislative wording in all three cases was the same except for the name of the citrus fruit, the provision for oranges will be taken as illustrative.

> All money levied and collected under this Act over and above the necessary administrative expense as provided for in the Act, shall be spent exclusively for the advertising of oranges. In cases where oranges are advertized jointly with grapefruit and tangerines, or both, the Orange Advertising Fund shall only bear its pro rata share of such advertising.[25]

Since this legislative statement made no reference to any division of funds between fresh and processed forms of each citrus fruit, there was wide leeway for policy interpretation. Such interpretation took place even after

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[25]State of Florida, Laws of Florida, Regular Session, I, 1935, 238.

The Florida Citrus Code of 1949 attempted to deal with this problem by stating:

> The moneys levied and collected shall be used exclusively for the advertisement of grapefruit, oranges, tangerines, and limes, either in fresh or processed form, produced in the State of Florida in such equitable manner and proration as the Commission may determine taking into consideration the prorata payments made on the various varieties and any other relevant and pertinent factors, but provided that funds expended for advertising thereunder shall be expended through an established advertising agency within this state.[26]

The confusion that existed, and probably still exists, is well illustrated by a discussion on fund allocation that took place in a meeting of the Advertising and Merchandising Committee of the Florida Citrus Commission in 1956. In this meeting, A. W. Hobler, Benton and Bowles, Inc., said that it had always been his understanding that the funds had to be kept in line as far as the product and the division between fresh and processed. Mr. Evans of the Florida Citrus Commission stated that the general policy is that the allocation is made with regard to revenue derived from each product, but there is no hard and fast rule. Mr. Warren of Benton and Bowles explained that the division of advertising money is based on last year's experience and the data obtained from the Comptroller and the Advertising Manager regarding estimates of crop production

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[26]State of Florida, Department of Agriculture, The Florida Citrus Code of 1949 (Winter Haven, Fla.: Citrus and Vegetable Inspection Division, 1949), p. 20.

and utilization. Thomas B. Swann, the Chairman of the Advertising and Merchandising Committee, added that the allocation is usually established as regards the varieties of products rather than the form in which the product is used. Finally, Marvin H. Walker, a member of the Commission, said that he thought it was not so important to spend the revenue according to form of product, but it was the policy to confine the allocation according to product.[27]

It appears from this discussion that the policy regarding the allocation of funds to various products and categories of products requires clarification. No such clarification is found in the records of the Commission.

Policy on separate or combined citrus product advertising

Prior to 1949, the policy of the Commission was to promote each citrus product separately and not combine more than one citrus product in the same advertisement. According to one source, the modern precedent for promoting two or more kinds of citrus fruit and two or more forms of pack in one advertisement was established in June, 1949,

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[27]Minutes of Meeting of Advertising and Merchandising Committee, May 11, 1956, Lakeland, Fla., pp. 15ff. (In the files of the Commission.)

when frozen concentrate became a major factor in moving the orange crop.[28]

However, 1949 may not have been the year that set the "modern precedent" as in its 1951 Annual Report, the Florida Citrus Commission makes this statement. "Heretofore, it has been felt advisable to have not only separate campaigns on oranges, grapefruit, and tangerines, but special ads featuring each fruit, fresh and processed."[29]

In the July 20, 1953, meeting of the Commission's Advertising Committee, the Commission went along with the reply of the Fresh Fruit Shippers Committee to a recommendation made by the Processors Committee that "The Citrus Commission advertise fresh, canned, and frozen products separately and competitively with each other." The reply made by the Fresh Fruit Shippers Committee was:

> The focus of our campaign must be to increase the consumption of citrus products by the American public, and the choice of fresh, frozen, or canned form left to the preference of the consumer.[30]

The conclusions of this discussion were that the preceeding statement was "in keeping with the practice of the

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[28]"One Campaign for All Products vs. Three Separate Campaigns," Lakeland, Fla.: Florida Citrus Commission, n.d., p. 2. (In the files of the Commission.)

[29]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1951, op. cit., p. 6.

[30]Minutes of Meeting of Advertising Committee, June 17, 1953, Florida Citrus Commission, Lakeland, Fla., p. 1. (In the files of the Commission.)

Citrus Commission since 1935" and that "The weight of the industry seems to support the policy which the Florida Citrus Commission has followed for eighteen years of advertising citrus products on a non-competitive basis with each other."[31]

Further confusion is added by this statement in a folder prepared for new Commission members in 1961:

> To create specific buying influences, each Florida Citrus Commission product is advertised on its own merits and promoted separately. In this way, the unique selling advantage of each product can be told to the consumer effectively and its basic benefits and competitive qualities emphasized. This advertising strategy permits the building of a distinctive advertising campaign for each line of product while retaining a definite and important family relationship among all campaigns.[32]

The only conclusion that seems reasonable in light of the foregoing is that no definite, concrete policy exists on advertising Florida's citrus products separately or in combination, despite Commission statements to the contrary.

Policy regarding use of word "Florida" as an over-all brand

The Florida Citrus Commission does not advertise any particular brand of citrus but rather Florida citrus as a

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[31] Ibid.

[32] Florida Citrus Commission Consumer Advertising Review (New York: Benton and Bowles, Inc., 1961), p. 22.

whole. Therefore, the Commission adopted the policy of using the word "Florida" as an over-all brand as shown in the following:

> With the large number of marketing organizations in the citrus industry, each of which has several brand names for fresh or canned in general use, the word "Florida" must be taken as an over-all brand designation--Florida as descriptive both of the place of origin and a guarantee of satisfaction.[33]

In its promotional efforts, the Commission has consistently followed this policy by placing emphasis on the word "Florida" and refusing to promote other brands.

Policy regarding quality of products to be promoted

The shipping of substandard fruit by the Florida citrus industry has been one of its greatest problems. In the 1937-38 season, one of the Commission's policies was that "We do everything in our power to stop green fruit shipments which have destroyed early markets and cost the growers of this state millions of dollars."[34]

In 1959, the Commission stated that:

> A product to qualify for a national consumer advertising program of the Commission, must be regulated by Federal or State grades for assurance

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[33]Consumer Advertising Program for the 1948-49 Season (Lakeland, Fla.: Florida Citrus Commission, n.d.), p. 4.

[34]Minutes of Meeting, March 11, 1959, Lakeland, Fla., p. 510. (In the "Minute Book" in the files of the Florida Citrus Commission.)

> of consistent quality and should have achieved national distribution so that advertising behind it would be meaningful.[35]

From these two statements, it can be seen that the Florida Citrus Commission pursues a consistent policy of doing everything in its power to maintain the quality of Florida citrus products destined for human consumption.

Policy regarding false or misleading labeling or advertising of processed citrus fruits

In its role as a "watch-dog" of the Florida citrus industry, the Commission has adopted the following policy to discourage false or misleading labeling or advertising of processed citrus fruits:

> To advise appropriate federal, state, and municipal authorities of any false or misleading labeling or advertising of processed citrus fruits called to its attention and urge such agencies to do everything within their power to cause persons or firms responsible for such labeling or advertising to cease and desist.[36]

The Commission has operated under this policy, and some processors have been prosecuted. This has led to greater consumer confidence in the quality of the processed products of Florida's citrus industry.

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[35]Minutes of Meeting, March 11, 1959, Lakeland, Fla., p. 5218. (In the "Minute Book" in the files of the Florida Citrus Commission.)

[36]Minutes of Meeting, July 10, 1957, Lakeland, Fla., p. 4536. (In the "Minute Book" in the files of the Florida Citrus Commission.)

Policy regarding advertising agency solicitation and selection

Although the Commission has stated no general policy in regard to the changing of consumer advertising agencies on the Florida citrus account, the Commission seems to have a basic philosophy on this point which approaches a policy. Whenever the Commission feels a change in advertising agencies might be desirable, various agencies are invited to make speculative presentations at public hearings. The Commission has been criticized for making these presentations public.

Seven advertising agencies were invited to make speculative presentations for the Florida citrus account in 1961. A New York newspaper criticized the Commission for operating "contrary to accepted practice by insisting every step of its selection be open to the public."[37]

In his reply, Homer E. Hooks, the General Manager of the Commission, made these points which are indicative of Commission policy:

> It is essential to keep in mind that the Florida Citrus Commission, the client in this case, is a public state agency charged with conducting advertising, merchandising, and research for Florida citrus.

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[37]Neil Meffert, "Hooks Defends Open Method of Picking Citrus Ad Agency," The Tampa Tribune, November 15, 1961, p. 2-B.

> It would be unthinkable for us to hear in secret the fundamental presentations of the agencies on how they would handle our advertising account and who they would put in charge of it. This is industry business, and we feel the industry has a right to see who are the people to whom we're about to hand this $3.5 million account.[38]

The Commission statements on inviting solicitation of the Florida Citrus Commission account are also indicative of the policy in this matter. It is evidently policy to listen periodically to advertising agency speculative presentations as indicated in the following:

> Although Benton and Bowles has done a splendid job over the past six years, the Commission feels that it should look at some new ideas and copy strategy.
>
> The broad field of marketing is changing almost daily and our citrus crops are steadily getting bigger, and the Commission feels it should reappraise its advertising to see that it is getting maximum mileage out of every advertising dollar spent.[39]

The Commission has periodically changed consumer advertising agencies as a result of the speculative presentations made by advertising agencies. A list of Commission advertising agencies and the years they represented the Commission is shown in Figure 5. This changing of advertising agencies indicates that although no definite policy

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[38] Ibid.

[39] "Ad Agencies Invited to Seek Big Citrus Account," The Tampa Tribune, July 28, 1961, p. 16-C.

FIGURE 5

FLORIDA CITRUS COMMISSION CONSUMER ADVERTISING AGENCIES EMPLOYED 1935-61

ADVERTISING AGENCY	PERIOD OF EMPLOYMENT
Ruthrauff and Ryan	October, 1935 to April, 1938
Arthur Kudner, Inc.	June, 1938 to August, 1941
Blackett-Sample-Hummert, Inc.	September, 1941 to July, 1943
Benton and Bowles, Inc.	October, 1943 to August, 1950
J. Walter Thompson Company	August, 1950 to June, 1955
Benton and Bowles, Inc.	June, 1955 to present date

Source: Records of the Florida Citrus Commission.

is stated as such, it is Commission practice to hear periodically speculative advertising agency presentations for the Florida citrus industry account in open, public meetings and change consumer advertising agencies on the basis of these presentations.

Policy regarding flexibility in promotional plans

Since the Commission derives the funds for a year's promotional efforts through a per box tax on Florida citrus marketed during that year, it has of necessity adopted a flexible promotional policy. This policy was clearly stated in 1936 and has been consistently followed.

> Since the very beginning, we have consistently adhered to a policy of flexibility in all of our plans. This is advisable not only because of the constantly changing conditions in the handling of perishable crops but because of the possibility of sudden crop damage which might greatly reduce our funds for advertising and other activities. For this reason, we have made no contract which cannot be cancelled on short notice.[40]

Over-all analysis of Commission policy statements

The Commission has stated policies only on certain areas of its promotional program. Other areas exist for which policy statements are needed. Some of the policies the Commission could profitably state are: (1) Policy

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[40]Minutes of Meeting, July 13, 1937, Lakeland, Fla., p. 509. (In the "Minute Book" in the files of the Florida Citrus Commission.)

detailing the influence that industry advisory groups are to have in promotional matters; (2) Policy showing the amount of freedom given the advertising and publicity agencies in creative matters; (3) Policy stating who initiates the promotional plans and the responsibility of the Commission and outside agencies in developing these plans; (4) Policy on research to check the results of promotional activities; (5) Policy regarding the coordination of advertising, merchandising, and publicity efforts; (6) Policy in regard to the promotion of specific citrus products such as grapefruit sections; (7) Policy indicating the continuity and frequency of promotional programs; and (8) Policy detailing desired relationships with trade factors.

The importance of spelling out policies in writing is clearly stated by E. Jerome McCarthy when he says:

> Vague notions about the existence of a policy are not helpful. If a producer actually does have a set policy, it is desirable to spell it out in writing. Or, if there is none, a policy should be devised and then written out.[41]

Commission policies should be agreed upon, written out, and made available. At present, those policies that exist are scattered through the records of the Commission.

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[41] E. Jerome McCarthy, Basic Marketing A Managerial Approach (Homewood, Ill.: Richard D. Irwin, Inc., 1960), p. 236.

It is not difficult to see how new members of the Commission become confused on policy matters as these policies are not readily available to them in written form. Since the composition of the Commission undergoes gradual change as member terms expire and new members are appointed, confusion of just what is Commission policy is almost certain to develop. This is well illustrated by the varying Commission and advertising agency views on the policy relating to the allocation of funds to various citrus products and the policy regarding separate or combined citrus product advertising.

CHAPTER VI

THE COLLECTION AND EXPENDITURE OF PROMOTIONAL FUNDS

The Florida Citrus Commission is supported by the Florida citrus industry. It derives its funds from a per box tax on oranges, grapefruit, tangerines, and tangelos. Commission operating budgets are tied directly to the boxes of citrus fruit marketed during each season. Promotional budgets are dependent on the amount of citrus fruit marketed during the coming year, which necessitates a method of forecasting the size of Florida citrus crops.

Florida citrus legislation gives the Commission the authority to prorate promotional funds among the various citrus products in an equitable manner while taking into consideration the tax money collected from the various varieties of citrus fruits. The Commission makes an effort to allocate its activities in accordance with the share of its total revenue derived from each type of citrus fruit. Separate budgets are kept for oranges, grapefruit, and tangerines, and promotional expenditures are charged to the variety of fruit to which they apply.

This chapter will concern itself with four main topics: (1) The collection of Florida Citrus Commission promotional funds; (2) Forecasting the citrus tax revenues

available for Commission operations; (3) How Florida Citrus Commission promotional budgets are developed each season; and (4) The expenditure of promotional funds on advertising, merchandising, and publicity activities.

By describing and analyzing these areas, an insight can be gained into the budgeting and financial sides of Commission operation.

The Collection of Florida Citrus Commission Promotional Funds

Since the Commission derives its funds from a per box tax on oranges, grapefruit, tangerines, and tangelos, extensive measures have been taken by the Florida Legislature to insure the collection of citrus taxes imposed by the legislature. This state legislature sets the rate of the per box tax on each citrus fruit. Through the years, the per box tax on oranges and grapefruit has been increased while that on tangerines has remained constant as is shown in Table 12. The promotion of Florida limes was discontinued by the Florida Citrus Commission after the 1955-56 season, while temple oranges were first promoted in the 1951-52 season, and tangelos were first advertised in the 1956-57 season.

The Florida Citrus Commission collects the per box taxes on Florida citrus fruit marketed. Citrus taxes are due and payable by the person first handling the fruit in the primary channel of trade when it is sold or delivered for shipment in fresh form or when it is received and

TABLE 12

FLORIDA CITRUS ADVERTISING TAX PER STANDARD PACKED BOX[a] FROM 1935-57[b]

Year Levied	Oranges	Grapefruit	Tangerines	Limes	Temple Oranges	Tangelos
1935	$.01	$.03	$.05	--	--	--
1945	.02	.03	.05	--	--	--
1949	.02	.03	.05	$.04	$ --	--
1951	.03	.04	.05	.04	$.05	--
1953	.03	.06	.05	.04	.05	--
1957	.05	.06	.05	--	.05	$.05

Source: Robert M. Stuart, Controller, Florida Citrus Commission, July 26, 1961.

[a]A standard packed box contains one and three-fifths bushels of citrus fruit.

[b]Taxes levied in 1957 are in effect until 1963.

accepted at a processing plant. The Commission may allow deferment of this payment if payment is guaranteed to the Commission in the form of a security bond, or cash deposit, judged sufficient to cover taxes incurred.

Since citrus taxes are computed on the basis of a standard packed box, or one and three-fifths bushels, provisions have been made for citrus fruit being handled in bulk. For instance, when oranges are handled on a weight basis rather than the standard packed box, ninety pounds is considered equal to one standard packed box.

The payment of the promotional tax on citrus is evidenced by stamps known as "Florida citrus advertising stamps." These stamps are made and distributed by the Commission. If these stamps are not used, the Commission requires their payment to be secured by the filing and posting of sufficient bond or cash deposits.

These stamps show the amount paid for them on their face, and they must be affixed to the grade certificate. Stamping machines are allowed to be used in certain circumstances, but these are strictly controlled by the Commission. Where bonds or cash deposits are substituted for stamps during the season, the return, which is filed by the handler or processor at the season's end, must bear the necessary stamps.

To insure the collection of the citrus promotional tax, the Commission has the authority to enter on the premises of any handler of citrus fruits and examine any

records bearing on the amount of taxes payable. Every citrus handler is required to keep a complete and accurate record of all citrus fruit handled, and these records must be offered for inspection at any time upon demand by the Commission or its representatives. In addition, every citrus handler must file with the Commission a return under oath stating the number of standard-packed boxes of each kind of citrus fruit handled in the primary channel of trade during the period of time prescribed by the Commission.

The Commission may collect the taxes levied and assessed by: (1) Voluntary payment by the person liable; (2) By a suit at law; or (3) By a suit in equity to enjoin and restrain any person owing taxes from operating his business or engaging in business as a citrus fruit dealer until the delinquent taxes are paid. Citrus taxes do not have to be paid on fruit consumed for domestic purposes on the premises where it is produced or for shipment of fruit judged for charitable purposes by the Commission.[1]

Forecasting the Citrus Tax Revenues Available for Commission Operations

The revenue received for Commission operations depends on the number of equivalent standard-packed boxes of citrus

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[1]State of Florida Citrus Fruit Laws (Lakeland, Fla.: Florida Citrus Commission, 1959), pp. 8ff.

marketed during the coming year. Since the Commission operates on a fiscal year of July 1 through June 30, it must forecast the amount of citrus tax revenue it can expect during the coming year in order to prepare operating budgets. This forecast of the citrus tax revenue available is based on federal government estimates of expected crop sizes. The federal government has not always been highly accurate in forecasting the size of Florida citrus crops since it makes its first estimate during October of each year, and hurricanes, freezes, rainfall, drought, and insect pests may affect the size of the crops. However, these original estimates are revised as the season progresses, and the promotional budgets of the Commission are revised accordingly.

When the original estimates of the federal government are above what the citrus crop sizes actually prove to be, considerable pruning of original promotional budgets takes place at the Florida Citrus Commission. This was the case during the 1957-58 season when severe freezes affected Florida citrus. In that season, the federal government had estimated Florida's orange production at 102,000,000 boxes, grapefruit production at 38,000,000 boxes, and tangerine production at 4,500,000 boxes as shown in Table 13. Actual production figures were respectively 82,500,000 boxes of oranges, 31,100,000 boxes of grapefruit, and 2,100,000 boxes of tangerines. The deficit of boxes produced in each category left the

TABLE 13

ORIGINAL FEDERAL GOVERNMENT ESTIMATES OF THE SIZE OF FLORIDA CITRUS CROPS BY SEASON AS COMPARED TO ACTUAL PRODUCTION, 1950-51 THROUGH 1959-60[a]
(Thousands of boxes)

	Oranges		Grapefruit		Tangerines	
Season	Original estimate	Actual production	Original estimate	Actual production	Original estimate	Actual production
1950-51	62,500	67,300	32,500	33,200	4,800	4,800
1951-52	72,500	78,600	35,000	36,000	5,000	4,500
1952-53	81,000	72,200	33,000	32,500	4,700	4,900
1953-54	79,000	91,300	37,500	42,000	5,000	5,000
1954-55	96,000	88,400	36,500	34,800	5,400	5,100
1955-56	91,000	91,000	38,000	38,300	5,000	4,700
1956-57	95,000	93,000	35,000	37,400	5,200	4,800
1957-58	102,000	82,500	38,000	31,100	4,500	2,100
1958-59	85,000	86,000	34,000	35,200	4,500	4,200
1959-60	93,000	91,500	32,000	30,500	4,000	2,800

Source: Annual Statistical Report 1960-61 Season (Lakeland, Fla.: Florida Citrus Mutual, 1961), pp. 119-120.

[a]Original crop estimates are made in October of each year.

Florida Citrus Commission short of the revenue on 19,500,000 boxes of oranges, 6,900,000 boxes of grapefruit, and 2,400,000 boxes of tangerines. Assuming that all citrus fruit that was estimated as being produced was to have been marketed, the Commission's Orange Advertising Fund was ultimately short $975,000, the Grapefruit Advertising Fund was short $414,000, and the Tangerine Advertising Fund was short $120,000, based on the per box tax assessments levied in the 1957-58 season.

Although the federal government was more accurate in estimating the citrus crop sizes during the other seasons as shown in Table 13, it can be seen that variations between forecasted and actual production occurred in most seasons. Since the Commission bases its original promotional budgets on these forecasts each season, it undoubtedly has to revise its promotional budgets as later season forecasts are developed. However, no better method of estimating citrus crop sizes exists at the present time, and Florida Citrus Commission officials seem to be content with the present forecasting system.

How Florida Citrus Commission Promotional Budgets Are Developed Each Season

Advertising, merchandising, and publicity budget requests originate with the directors of these departments. These directors work from last year's budgets and add to and subtract from them according to whether anticipated activities are going to be expanded or contracted. These

departmental budgets are then reviewed by the general manager and the controller of the Commission. These officials check the budgets against the estimated revenue available from the forthcoming citrus crops. Departmental budgets are brought into balance with anticipated revenue and are submitted to the twelve commissioners for approval. Approval by this body is usually a mere formality.[2]

This procedure for determining advertising, merchandising, and publicity budgets is peculiar since it does not rest on any concrete past or forecasted sales figures as it is often true of similar budgets in industry. The Florida Citrus Commission does not specifically sell the citrus products it promotes. The physical selling of Florida's citrus crops is in the hands of independent producers, handlers, and processors. In addition, the funds which the Commission will have available for promotional purposes are tied to the boxes of citrus fruit marketed from the coming crops. Therefore, the budgeting method used is, perhaps, well suited for the Commission's purposes.

One improvement to the budgeting procedure would be the setting up of specific advertising, merchandising, and publicity objectives. Then, on the basis of these objectives, Commission personnel could determine the tasks or

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[2]From conversations with Robert M. Stuart, Controller, and Ralph Henry, Merchandising Manager, Florida Citrus Commission, February 2, 1962.

activities necessary to attain the objectives. The estimated cost of these required activities would then become the basis for setting the size of the various promotional budgets. If the budgets planned in this fashion exceeded the forecasted citrus tax revenue, then objectives and activities would have to be scaled down.

It is interesting to note that the present Commission procedure for setting promotional budgets is similar to what marketing authorities call the objective-and-task method. The only difference lies in the starting point. Instead of starting with specific promotional objectives, the Commission starts with the tasks or activities to be performed. If specific promotional objectives for advertising, merchandising, and publicity were established, the Commission would find it much easier to determine the activities necessary to carry out these objectives.

The Expenditure of Promotional Funds on Advertising, Merchandising, and Publicity Activities

Accounting records of the Florida Citrus Commission reveal the expenditures each season in two categories: (1) Fresh and processed; and (2) Advertising and combined merchandising and publicity expenditures. Extensive interviewing of Commission personnel revealed that sufficient historical data regarding expenditures by product type and separated merchandising and publicity expenditures were not available during the 1935-1960 period under study. Robert M. Stuart, the Commission's Controller, said that

separate publicity expenditures were kept for the first time during the 1960-61 season. Expenditures by product type such as canned single-strength orange juice or frozen orange concentrate have not been kept at all.

In view of the foregoing, the following analysis is limited to analyzing promotional expenditures on oranges, grapefruit, and tangerines from two viewpoints, fresh versus processed and advertising versus combined merchandising and publicity expenditures.

Promotional expenditures from a fresh versus processed standpoint

Varying percentages of each season's crop of oranges, grapefruit, and tangerines eventually are marketed as fresh or processed products. Processed products include mainly canned or concentrated citrus juices. In the case of grapefruit, canned grapefruit sections are an important category. Since no breakdown of promotional expenditures by individual product exists, the present discussion will be concerned only with the percentage of promotional funds expended on oranges, grapefruit, and tangerines in fresh versus processed form by season as compared to the percentages of each crop utilized in these forms during the same seasons. This analysis will indicate the relationship between crop utilization and Commission promotional expenditures designed to aid in marketing Florida citrus in fresh and processed form.

By referring to Table 14, it can be seen that the percentage of the Florida orange crop marketed as fresh has shown a marked tendency to decline. In the 1935-36 season, 97.5 per cent of the orange crop was marketed in fresh form. By the 1959-60 season, only 22.6 per cent of Florida's orange crop was utilized as fresh.

This pronounced shift in the utilization of Florida's orange crop from fresh to processed brought about a shift in the way orange promotional funds were spent. Fresh oranges received 100 per cent of orange promotional funds in the 1935-36 season. In contrast, the 1959-60 orange promotional expenditures were divided 15.9 per cent fresh and 84.1 per cent processed.

Throughout the years, the Commission has expended its orange promotional funds in close agreement with the percentage of the crop being utilized as fresh and processed. The percentage of funds spent on each category has always been within 10 per cent of the crop utilized in that fashion and in most seasons has been even closer. This is noteworthy in view of the fact that in order to spend its funds in relationship to the percentage of the orange crop marketed as fresh and as processed, the Commission must forecast what this percentage will be each season. Evidently, the Commission has been successful in doing this.

The Florida grapefruit crop does not show the pronounced shift from fresh to processed utilization that characterizes the Florida orange crop as shown in Table 15. When the

TABLE 14

PERCENTAGE UTILIZATION[a] OF THE FLORIDA ORANGE CROP COMPARED TO FLORIDA CITRUS COMMISSION PROMOTIONAL EXPENDITURES,[b] 1935-36 THROUGH 1959-60

Crop Season	Fresh		Processed	
	Per cent of crop	Per cent of promotional expenditures	Per cent of crop	Per cent of promotional expenditures
1935-36	97.5	100.0	1.3	000.0
1936-37	95.9	98.3	2.8	1.7
1937-38	94.2	94.8	4.6	5.2
1938-39	94.9	96.2	3.9	3.8
1939-40	82.3	91.2	16.6	8.8
1940-41	85.2	88.7	14.0	11.3
1941-42	83.6	92.5	15.7	7.5
1942-43	82.1	---[c]	17.3	---[c]
1943-44	75.5	---	23.8	---
1944-45	65.8	---	33.5	---
1945-46	60.8	56.7	38.5	43.3
1946-47	60.6	62.8	37.0	37.2
1947-48	47.2	51.5	52.0	48.5
1948-49	53.2	47.9	46.0	52.1
1949-50	39.9	45.1	59.3	54.9
1950-51	37.0	44.2	62.2	55.8
1951-52	38.9	32.8	60.4	67.2
1952-53	35.8	36.0	63.5	64.0
1953-54	30.4	31.0	68.8	69.0
1954-55	30.7	20.3	68.6	79.7
1955-56	28.0	25.8	71.3	74.2
1956-57	25.9	24.4	73.3	75.6
1957-58	21.9	20.4	77.3	79.6
1958-59	19.5	18.8	79.6	81.2
1959-60	22.6	15.9	76.5	84.1

Sources: Computed from: Florida Citrus Fruit Annual Summary, 1960 (Orlando, Fla.: Florida Crop and Livestock Reporting Service, 1960), p. 10. Statements of Receipts and Disbursements (Lakeland, Fla.: Florida Citrus Commission, 1935-60).

[a]The difference between the total of fresh and processed utilization and 100 per cent is accounted for by Farm Home Use.

[b]Promotional expenditures are taken to be advertising space and production costs and merchandising, publicity, and display material costs.

[c]Complete records of fresh and processed promotional expenditures are not available during these seasons.

TABLE 15

PERCENTAGE UTILIZATION[a] OF THE FLORIDA GRAPEFRUIT CROP COMPARED TO FLORIDA CITRUS COMMISSION PROMOTIONAL EXPENDITURES,[b] 1935-36 THROUGH 1959-60

Crop Season	Fresh		Processed	
	Per cent of crop	Per cent of promotional expenditures	Per cent of crop	Per cent of promotional expenditures
1935-36	67.4	57.7	31.7	42.3
1936-37	62.0	66.2	37.3	33.8
1937-38	57.1	59.3	42.1	40.7
1938-39	52.4	58.6	39.5	41.4
1939-40	43.9	39.1	55.4	60.9
1940-41	43.1	41.5	56.4	58.5
1941-42	46.6	43.5	52.8	56.5
1942-43	35.1	45.2	64.4	54.8
1943-44	33.6	27.1	65.9	72.9
1944-45	31.6	32.4	67.8	67.6
1945-46	30.3	22.8	69.1	77.2
1946-47	35.9	34.5	54.7	65.5
1947-48	29.4	38.9	58.9	61.1
1948-49	45.5	36.8	53.9	63.2
1949-50	43.6	51.2	55.7	48.8
1950-51	45.7	50.1	53.7	49.9
1951-52	53.2	54.8	37.9	45.2
1952-53	53.2	53.5	46.2	46.5
1953-54	48.6	46.7	47.8	53.3
1954-55	54.5	48.1	44.9	51.9
1955-56	50.8	48.1	48.7	51.9
1956-57	48.6	49.3	50.9	50.7
1957-58	46.7	43.9	52.7	56.1
1958-59	46.8	54.4	52.7	45.6
1959-60	52.5	45.1	46.9	54.9

Sources: Computed from: Florida Citrus Fruit Annual Summary, 1960 (Orlando, Fla.: Florida Crop and Livestock Reporting Service, 1960), p. 14. Statements of Receipts and Disbursements (Lakeland, Fla.: Florida Citrus Commission, 1935-60).

[a]The difference between the total of fresh and processed utilization and 100 per cent is accounted for by Farm Home Use.

[b]Promotional expenditures are taken to be advertising space and production costs and merchandising, publicity, and display material costs.

Commission was formed in the 1935-36 season, 31.7 per cent of the grapefruit crop was processed. In the 1959-60 season, 46.9 per cent of Florida's grapefruit crop underwent processing, an increase of only 15.2 per cent over the 1935-36 season.

The fresh fruit market is much more important to Florida's grapefruit industry than to its orange industry. The percentage of the grapefruit crop marketed as fresh has never fallen below 29 per cent and from the 1948-49 through the 1959-60 seasons it did not drop below 43 per cent. Fresh grapefruit promotional expenditures by the Commission have been within 10 per cent of the grapefruit crop marketed in fresh form. Evidently, the Commission attempts to divide grapefruit promotional expenditures in proportion to the percentage of the grapefruit crop utilized as fresh and processed. In this, it has achieved considerable success.

As shown in Table 16, tangerines are sold mainly in fresh form. Prior to the 1945-46 season the entire Florida tangerine crop was sold fresh. In no season during the fifteen years period from 1945-60 did processed utilization of the tangerine crop exceed 35.4 per cent.

The Florida Citrus Commission expends tangerine promotional funds roughly in accordance with the percentage of the crop marketed as fresh and processed. However, in all but one season, more than 70 per cent of tangerine promotional expenditures have been spent in the fresh

TABLE 16

PERCENTAGE UTILIZATION[a] OF THE FLORIDA TANGERINE CROP COMPARED TO FLORIDA CITRUS COMMISSION PROMOTIONAL EXPENDITURES,[b] 1945-46[c] THROUGH 1959-60

Crop Season	Fresh		Processed	
	Per cent of crop	Per cent of promotional expenditures	Per cent of crop	Per cent of promotional expenditures
1945-46	86.6	100.0	12.3	000.0
1946-47	62.2	70.8	19.8	29.2
1947-48	68.9	84.7	15.0	15.3
1948-49	76.2	78.8	22.7	11.2
1949-50	67.1	60.5	31.9	39.5
1950-51	66.1	72.6	28.2	27.4
1951-52	74.9	71.0	14.6	29.0
1952-53	76.8	76.0	21.7	24.0
1953-54	67.8	74.0	20.8	26.0
1954-55	73.0	74.7	21.3	25.3
1955-56	73.3	76.1	20.8	23.9
1956-57	68.1	92.8	26.2	7.2
1957-58	82.3	100.0	16.7	000.0
1958-59	58.5	100.0	35.4	000.0
1959-60	74.6	100.0	19.3	000.0

Sources: Computed from: Florida Citrus Fruit Annual Summary, 1960 (Orlando, Fla.: Florida Crop and Livestock Reporting Service, 1960), p. 18. Statements of Receipts and Disbursements (Lakeland, Fla.: Florida Citrus Commission, 1945-60).

[a]The difference between the total of fresh and processed utilization and 100 per cent is accounted for by Farm Home Use and economic abandonment.

[b]Promotional expenditures are taken to be advertising space and production costs and merchandising, publicity, and display material costs.

[c]Prior to the 1945-46 season, the entire crop was sold as fresh tangerines.

category. In recent years all tangerine promotional expenditures have gone to promote fresh uses, despite the fact that more than 16 per cent of the crop has been processed during this period. Evidently the Commission has decided to promote tangerines exclusively as a fresh fruit.

It is interesting to note that in recent years Florida's orange crop is marketed mainly in processed form, its grapefruit crop as both fresh and processed, and its tangerine crop predominately in fresh form. Commission expenditures on promotional activities closely parallel the percentage of each crop being utilized as fresh and processed in most instances. This is in keeping with the promotional policy known as "playing the winners" which is presently in good repute in marketing circles.

Division of Florida Citrus Commission promotional funds between advertising, merchandising and publicity

The division of promotional funds between advertising, personal selling, sales promotion, publicity, and public relations has become known as the "sales mix" among students and practitioners of marketing. Different companies within the same industry utilize different sales mixes in an effort to achieve their objectives. However, little empirical data has been gathered and published concerning the percentage spent by agricultural groups on the various elements of the sales mix.

The Florida Citrus Commission has kept dollar figures of promotional expenditures in two categories since 1935. These two categories are advertising expenditures and combined merchandising and publicity expenditures. An analysis of the Commission's total promotional expenditures in each category is contained in the following paragraph. This will be followed by an analysis of the breakdown of promotional expenditures into each category in regard to oranges, grapefruit, and tangerines.

An examination of Table 17 reveals that advertising receives the greatest share of the total promotional funds of the Florida Citrus Commission. In only two seasons from 1935 to 1960 did advertising receive less than 70 per cent of total Commission promotional funds. Merchandising and publicity expenditures, in contrast, have never exceeded 32.4 per cent of total promotional expenditures. From 1951-52 through 1959-60, expenditures on advertising were from two to three and one-half times as large as those on merchandising and publicity.

Approximately the same pattern is evident when orange expenditures are analyzed. In only three seasons has advertising received less than 70 per cent of total orange promotional funds as shown in Table 18. From 1950-51 through 1959-60, the percentage devoted to advertising has been within a 68.1 to 77.3 per cent range. In contrast, orange merchandising and publicity expenditures have never exceeded 31.9 per cent of total orange promotional expenditures.

TABLE 17

PERCENTAGE DIVISION OF FLORIDA CITRUS COMMISSION TOTAL PROMOTIONAL EXPENDITURES INTO ADVERTISING AND COMBINED MERCHANDISING AND PUBLICITY, 1935-36 THROUGH 1959-60

Season	Advertising[a]	Merchandising and Publicity[b]
1935-36	95.3	4.7
1936-37	86.2	13.8
1937-38	82.8	17.2
1938-39	75.8	24.2
1939-40	72.2	27.8
1940-41	80.5	19.5
1941-42	76.9	23.1
1942-43	77.5	22.5
1943-44	82.9	17.1
1944-45	78.5	21.5
1945-46	87.9	12.1
1946-47	82.1	17.9
1947-48	80.7	19.3
1948-49	72.6	27.4
1949-50	76.8	23.2
1950-51	68.3	31.7
1951-52	77.7	22.3
1952-53	70.8	29.2
1953-54	67.6	32.4
1954-55	72.7	27.3
1955-56	70.6	29.4
1956-57	70.7	29.3
1957-58	70.9	29.1
1958-59	73.9	26.1
1959-60	72.1	27.9

Source: Computed from: Statements of Receipts and Disbursements (Lakeland, Fla.: Florida Citrus Commission, 1935-1960).

[a]Advertising consists of space and production costs in all media, domestic and foreign.

[b]Merchandising and publicity includes expenditures for display material.

TABLE 18

PERCENTAGE DIVISION OF FLORIDA CITRUS COMMISSION TOTAL ORANGE PROMOTIONAL EXPENDITURES INTO ADVERTISING AND COMBINED MERCHANDISING AND PUBLICITY, 1935-36 THROUGH 1959-60

Season	Advertising[a]	Merchandising and Publicity[b]
1935-36	93.2	6.8
1936-37	86.5	13.5
1937-38	76.4	23.6
1938-39	73.4	26.6
1939-40	68.1	31.9
1940-41	75.8	24.2
1941-42	76.2	23.8
1942-43	---[c]	---[c]
1943-44	---	---
1944-45	---	---
1945-46	85.7	14.3
1946-47	81.4	18.6
1947-48	79.6	20.4
1948-49	75.0	25.0
1949-50	75.0	25.0
1950-51	68.7	31.3
1951-52	77.3	22.7
1952-53	70.9	29.1
1953-54	68.1	31.9
1954-55	73.1	26.9
1955-56	70.9	29.1
1956-57	72.0	28.0
1957-58	72.6	27.4
1958-59	74.1	25.9
1959-60	72.5	27.5

Source: Computed from: Statements of Receipts and Disbursements (Lakeland, Fla.: Florida Citrus Commission, 1935-1960).

[a]Advertising consists of space and production costs in all media, domestic and foreign.

[b]Merchandising and publicity includes expenditures for display material.

[c]Complete records of promotional expenditures were not available during these seasons.

As shown in Table 19, promotional expenditures on grapefruit exhibit essentially the same pattern. In only five seasons have grapefruit advertising expenditures been below 70 per cent of total grapefruit promotional expenditures. On the other hand, combined merchandising and publicity expenditures have never exceeded 36 per cent of total grapefruit promotional expenditures.

Finally, an analysis of Table 20 shows essentially the same expenditure patterns for tangerines. Advertising has received at least 70 per cent of total tangerine promotional expenditures in all but six seasons. Combined merchandising and publicity expenditures have never exceeded 36.7 per cent of total tangerine promotional expenditures, and in most seasons have been below 30 per cent.

Evidently the Florida Citrus Commission regards advertising as its major promotional activity. Merchandising and publicity are treated as supplementary efforts. The Florida Citrus Commission has done little experimenting with the promotional funds it has available. Instead, it has been content to allocate the major part of its promotional funds to advertising. Should the major part of the Commission's promotional funds be spent on advertising? Perhaps merchandising and publicity would generate greater returns if more funds were made available. The

TABLE 19

PERCENTAGE DIVISION OF FLORIDA CITRUS COMMISSION TOTAL GRAPEFRUIT PROMOTIONAL EXPENDITURES INTO ADVERTISING AND COMBINED MERCHANDISING AND PUBLICITY, 1935-36 THROUGH 1959-60

Season	Advertising[a]	Merchandising and Publicity[b]
1935-36	90.6	9.4
1936-37	84.7	15.3
1937-38	80.6	19.4
1938-39	72.3	27.7
1939-40	75.6	24.4
1940-41	78.1	21.9
1941-42	78.0	22.0
1942-43	79.2	20.8
1943-44	85.8	14.2
1944-45	79.4	20.6
1945-46	88.9	11.1
1946-47	80.0	20.0
1947-48	78.0	22.0
1948-49	75.3	24.7
1949-50	77.7	22.3
1950-51	66.7	33.3
1951-52	79.0	21.0
1952-53	71.8	28.2
1953-54	66.8	33.2
1954-55	72.7	27.3
1955-56	70.6	29.4
1956-57	67.9	32.1
1957-58	64.0	36.0
1958-59	71.9	28.1
1959-60	69.1	30.9

Source: Computed from: Statements of Receipts and Disbursements (Lakeland, Fla.: Florida Citrus Commission, 1935-60).

[a]Advertising consists of space and production costs in all media, domestic and foreign.

[b]Merchandising and publicity includes expenditures for display material.

TABLE 20

PERCENTAGE DIVISION OF FLORIDA CITRUS COMMISSION TOTAL TANGERINE PROMOTIONAL EXPENDITURES INTO ADVERTISING AND COMBINED MERCHANDISING AND PUBLICITY, 1935-36 THROUGH 1959-60

Season	Advertising[a]	Merchandising and Publicity[b]
1935-36	92.2	7.8
1936-37	86.1	13.9
1937-38	77.9	22.1
1938-39	75.8	24.2
1939-40	70.9	29.1
1940-41	65.0	35.0
1941-42	74.5	25.5
1942-43	74.9	25.1
1943-44	77.7	22.3
1944-45	78.5	21.5
1945-46	76.7	23.3
1946-47	82.8	17.2
1947-48	81.9	18.1
1948-49	70.7	29.3
1949-50	74.1	25.9
1950-51	74.5	25.5
1951-52	81.0	19.0
1952-53	72.7	27.3
1953-54	74.3	25.7
1954-55	65.6	34.4
1955-56	68.1	31.9
1956-57	64.7	35.3
1957-58	75.9	24.1
1958-59	63.3	36.7
1959-60	64.8	35.2

Source: Computed from: Statements of Receipts and Disbursements (Lakeland, Fla.: Florida Citrus Commission, 1935-60).

[a]Advertising consists of space and production costs in all media, domestic and foreign.

[b]Merchandising and publicity includes expenditures for display material.

only way this issue can be resolved is through experimentation and research. The Commission must be willing to expend funds and effort to determine the sales mix appropriate to its needs.

CHAPTER VII

HISTORICAL ANALYSIS OF FLORIDA CITRUS COMMISSION CONSUMER ADVERTISING COPY THEMES AND MEDIA USAGE

The theme of an advertisement or advertising campaign consists of the fundamental idea the advertiser is trying to get across. It is the heart of the advertising message and is carried to its market targets by the media in which it is presented. Therefore, two important parts of any advertising effort are: (1) The theme; and (2) the media.

This chapter is an attempt to analyze the themes and the media utilized by the Florida Citrus Commission in its consumer advertising of Florida citrus products from 1935 to 1960. It will be divided into two parts: (1) A historical analysis of consumer advertising copy themes; and (2) A historical analysis of media usage.

Under the former, the copy themes utilized by the Commission will be given by season for oranges, grapefruit, and tangerines. An analysis and discussion of these themes will follow in an effort to determine the general type of themes used and any significant trends in theme usage.

Under the latter, the media used to carry consumer advertising messages will be stated and the percentages of space and time costs going into each media will be given by season. An analysis and discussion of any significant

trends in media usage will follow to show the patterns of media usage employed by the Commission.

This two-part analysis of Commission consumer advertising programs will give us some insight into the methods used by the Commission in serving as an over-all promoter of Florida citrus products.

A Historical Analysis of Consumer Advertising Copy Themes

The Florida Citrus Commission has utilized various consumer copy themes since 1935 in efforts designed primarily to get consumers to increase their consumption of Florida citrus. The Commission's advertising campaigns are not designed to pursuade the consumer to substitute one citrus product for another. Instead, these campaigns utilize the nutritional and health values of Florida citrus to convince the consumer that more Florida citrus products should be used.

Primary instead of selective appeals are made in Commission advertising. That is, this advertising states the virtues of Florida citrus products as a class and does not promote any one particular brand.

Consumer copy themes are dependent on medical and nutritional research. This was well stated by Paul S. Patterson, a former advertising manager of the Commission, when he said:

> The backbone of the general advertising is based on the findings that have been developed by the medical and nutritional

> professions. If the Commission did not have the support of these professional groups, this general advertising would not stick.[1]

The findings of the medical and nutritional professions are woven into the copy themes and are usually stated in the headlines of Commission advertisements as "Readership studies support the theory that once we interest the readers in the health benefits of citrus in a good headline, we can get a substantial portion of them to read the copy text."[2]

Through the years, the Commission has taken advantage of the cold and flu fighting qualities of citrus products. "Cold and Flu" ads are developed each season and held until there is a rise in the number of incidents of respiratory diseases. When this occurs, these ads are released, and consumers are informed how Florida citrus products aid in overcoming respiratory diseases.[3]

Florida Citrus Commission consumer copy themes for oranges

An examination of Table 21 reveals that Florida Citrus Commission consumer copy themes for oranges can be classified into three types: (1) Themes which tell of the extra

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[1] Minutes of Meeting of Advertising and Merchandising Committee, July 20, 1953, Florida Citrus Commission, Lakeland, Fla., p. 9. (In the files of the Commission.)

[2] Ibid., p. 7.

[3] Ibid., p. 2.

TABLE 21

ORANGE CONSUMER ADVERTISING COPY THEMES USED BY THE FLORIDA CITRUS COMMISSION BY SEASON, 1935-36 THROUGH 1959-60

Season	Copy Theme
1935-36	Florida oranges give 1/4 more juice.
1936-37	1/4 more juice or every fifth glass free.
1937-38	Fresh orange juice is not expensive with Florida oranges which give 1/4 more juice.
1938-39	Florida oranges give more juice.
1939-40	Extra juice in Florida oranges give more juice for the money.
1940-41	Florida oranges always give you far more juice for your money.
1941-42	How to get more juice for less money.
1942-43	Only Florida oranges give extra juice.
1943-44	All oranges are good, but only Florida oranges give extra juice.
1944-45	No record.
1945-46	Oranges have a double feature appeal with extra juice and extra vitamin C.
1946-47	Bigger portions of juice rich in vitamin C for vigorous, red-blooded living.
1947-48	For that glow of health eat Florida oranges and drink Florida orange juice. Also, get more orange juice for your money.
1948-49	Bring Florida sunshine into your home with luscious, low cost orange juice. Also, introductory copy on quick-frozen concentrated Florida orange juice extolled, "Something new and delicious under the sun."

TABLE 21 (continued)

Season	Copy Theme
1949-50	Florida health can be closer than you think when you drink Florida orange juice.
1950-51	Drink a full big glass of Florida orange juice for the vitamin C you need--one vitamin your body cannot store up.
1951-52	Drink a full big glass of Florida orange juice for the vitamin C you need--one vitamin your body cannot store up.
1952-53	Drink a full big glass of Florida orange juice for the vitamin C you need--one vitamin your body cannot store up.
1953-54	Florida orange juice has three to five times more vitamin C than other citrus juices.
1954-55	The golden vitamin--vitamin C. Anytime you're thirsty drink Florida orange juice.
1955-56	Make sure your family has fresh Florida orange juice as its loaded with vitamin C.
1956-57	Three reasons for squeezing fresh Florida oranges are extra juice, extra vitamin C, and extra flavor. Also, "Make mine orange juice and make it fresh frozen."
1957-58	"Body wisdom." (Used by prominent athletes who told of their need for a second glass of orange juice to replace vitamin C and quick energy used up in their activities.)
1958-59	Oranges are a "Powerhouse of Vitamin C."
1959-60	Oranges are "Nature's Powerhouse of Vitamin C."

Source: Annual reports and records of the Florida Citrus Commission.

juice and economy available from Florida oranges; (2) Themes which tell of the health that can be obtained from Florida oranges; and (3) Themes which stress the body's need for vitamin C. Quite often, these three major themes have been intermingled, but in each season's consumer orange advertising, one predominates.

From the 1935-36 season through the 1946-47 season, Commission consumer orange advertising stressed the extra juice available from Florida oranges and the economy of this extra juice. Such headlines as "1/4 more juice or every fifth glass free," pointed out an inherent advantage of Florida oranges. Since frozen orange concentrate was not advertised until the 1948-49 season, the greatest portion of Florida oranges was consumed fresh and mostly for juice purposes prior to this season. Because Florida oranges do produce more juice than those from other United States orange-producing areas, the "more juice" theme undoubtedly had great appeal to housewives who squeezed oranges to provide their families with fresh juice.

From the 1947-48 season through the 1949-50 season, the orange copy theme was changed to feature the health giving qualities of Florida oranges. Such headlines as "Florida health can be closer than you think," pointed out the vitamin and mineral content of Florida oranges and what these did to promote good health. The vitamin C giving qualities of Florida oranges, which had begun to

receive prominent attention during the 1945-46 season, were further emphasized.[4] Introductory ads on quick-frozen, concentrated orange juice appeared for the first time in the 1948-49 season under headlines such as "Something new and delicious under the sun."

From the 1950-51 season through the 1959-60 season, consumer orange copy themes have placed heavy stress on the body's need for vitamin C. This concept has been stressed in headlines such as "The Golden Vitamin," "Body Wisdom," and "Powerhouse of Vitamin C." This is in keeping with consumer diet trends and increasing consumer awareness of the important part vitamins play in maintaining good health.

Florida Citrus Commission consumer copy themes for grapefruit

Grapefruit consumer copy themes, as shown in Table 22, do not break down into classifications as easily as those for oranges. An analysis of grapefruit copy themes reveals that themes used during the early seasons of the Commission's existence were often utilized again after the lapse of several years. However, these grapefruit copy themes can be classified into five categories: (1) Themes which

[4]The California Fruit Growers Exchange started the advertising on vitamin C in 1921, and the Florida Citrus Commission has used this product quality in their orange advertising since 1935.

TABLE 22

GRAPEFRUIT CONSUMER ADVERTISING COPY THEMES USED BY THE FLORIDA CITRUS COMMISSION BY SEASON, 1935-36 THROUGH 1959-60

Season	Copy Theme
1935-36	Eat grapefruit twice or more a day for fewer colds this winter.
1936-37	Florida grapefruit helps combat spring fever. Also, drink fresh Florida grapefruit juice twice a day for fewer colds.
1937-38	Florida true flavor grapefruit are the finest treat. Also, "Every smart hostess serves grapefruit in dozens of delightful ways," says Emily Post.
1938-39	Let Florida grapefruit bring you health, vigor, and youth for just a few pennies a day.
1939-40	Florida grapefruit for taste and health during many times of the day.
1940-41	Two way juice that is refreshing, zestful, and appetizing. Also, grapefruit is a quick treat that can't be beat.
1941-42	How to hold your youth and retard old age by drinking Florida grapefruit juice to supply vitamin C, the lack of which makes you feel old before your time.
1942-43	The "commando fruit" to fortify every body with vitamin C.
1943-44	The "commando fruit" to fortify every body with vitamin C.
1944-45	The "natural bodyguard" that fortifies every body with vitamin C.
1945-46	Grapefruit are a "body guard" against colds, infections, and fatigue.
1946-47	Grapefruit are a "body guard" against colds, infections, and fatigue.

TABLE 22 (continued)

Season	Copy Theme
1947-48	Florida grapefruit for that glow of health.
1948-49	Give your health a daily Florida tune-up with Florida grapefruit.
1949-50	Florida grapefruit are "natures treasure chest of health and sunshine."
1950-51	Grapefruit, Florida's "bracer fruit" are tops in taste and vitamin C.
1951-52	How to lose weight and like it with the "bracer fruit."
1952-53	Florida's "bracer fruit" is so good so many ways.
1953-54	Lose weight with Florida grapefruit--low in calories, high in vitamin C.
1954-55	Have grapefruit instead of foods high in calories.
1955-56	Keep trim while you keep slim with Florida grapefruit. Also, "The unforbidden fruit."
1956-57	Keep in trim while you keep slim with Florida grapefruit.
1957-58	Look better and feel better-try the 30-day grapefruit plan.
1958-59	Goldmine of vitality and vitamin C.
1959-60	"Nature's goldmine of vitamin C."

Source: Annual reports and records of the Florida Citrus Commission.

tell of the cold and flu fighting qualities of Florida grapefruit; (2) Themes which expound the fine taste of Florida grapefruit; (3) Themes which point out the body's need for vitamin C; (4) Themes which stress the health giving qualities of Florida grapefruit; and (5) Themes which point out the low calory content of Florida grapefruit. Quite often, more than one of these themes are present in a season's advertising, but when this is true, more emphasis is placed on one than another.

The cold and flu fighting qualities of Florida grapefruit were given major emphasis in grapefruit consumer advertising themes during the 1935-36, 1936-37, 1945-46, and 1946-47 seasons. These qualities were played up in headlines such as "Body Guard Against Cold, Infections, and Fatigue." During these four seasons, respiratory diseases were widespread among the United States population.

The "fine" taste of Florida grapefruit received major emphasis during the 1937-38, 1939-40, 1940-41, 1950-51, and 1952-53 seasons. During these seasons phrases such as "tops in taste" and "the bracer fruit" attempted to sell consumers on the taste of Florida grapefruit. Just why the taste theme was used during these periods cannot be documented as records of this have not been kept by the Commission.

Grapefruit consumer copy themes emphasized the body's need for vitamin C during the 1941-42, 1942-43, 1943-44, 1944-45, 1958-59, and 1959-60 seasons. During

the World War II period, the vitamin C concept was promoted in headlines tying into the war effort such as "Commando fruit to fortify every body with vitamin C." During post-war seasons headlines have featured grapefruit as "Nature's goldmine of vitamin C."

The health giving qualities of Florida grapefruit were stressed during the 1938-39, 1947-48, 1948-49, and 1949-50 seasons. Headlines such as "Give your health a daily Florida tune-up" pointed out how Florida grapefruit aid in securing and maintaining good health.

The low calory content of grapefruit and its use in weight reduction programs was stressed during the period beginning with the 1951-52 season and ending with the 1957-58 season. During these seasons, the low calory content and weight reducing attributes of Florida grapefruit were stressed in headlines such as "Try the 30-day grapefruit plan" and "Keep trim while you keep slim with Florida grapefruit." The weight reduction theme utilized by the Commission during this period tied into the trend toward slimness which was prevalent among consumers. Many physicians recommended grapefruit as a weight reducing food in diets prescribed during these years.

Florida Citrus Commission consumer copy themes for tangerines

The Commission has promoted Florida tangerines primarily as a fresh fruit and especially as a holiday fruit. As shown in Table 23, the great majority of

TABLE 23

TANGERINE CONSUMER COPY THEMES USED BY THE FLORIDA CITRUS COMMISSION BY SEASON, 1935-36 THROUGH 1959-60

Season	Copy Theme
1935-36	No record.
1936-37	Florida tangerines are easy to peel, have a variety of uses, and are good for the digestion.
1937-38	Florida tangerines are sweet, juicy, and easy to peel. Also, "The kid glove orange."
1938-39	Florida tangerines are easy to peel, modest in price, and taste good. Also, Florida tangerines are a Christmas treat.
1939-40	Tangerines are easy to peel, tasty, and high in vitamins and minerals. Also, "One way to spell Christmas is tangerines."
1940-41	No record.
1941-42	Delicious, healthful tangerines are Florida's holiday gift to the nation.
1942-43	No record.
1943-44	The sugar sweet treat with the zipper skin.
1944-45	The wholesome fruit with the zipper skin. Also, "The Lunch Box Fruit."
1945-46	Bright, gay fruit that's easy to peel and fun to eat.
1946-47	Tangerines are "The fruit of youth." Also, fruit with the zipper skin.
1947-48	Tangerines are "The fruit of youth."
1948-49	Tangerines bring you Florida's health and fun. Also, tangerines for box lunches.
1949-50	Tangerines are tops in fun and health.
1950-51	Tangerines are the zipper skin fruit.

TABLE 23 (continued)

Season	Copy Theme
1951-52	Holiday fruit, easy to peel with the zipper skin. Also, "Sugar sweet treat with a zipper skin."
1952-53	Short but sweet and easy to peel.
1953-54	Tangerines are easy to peel, segment, and eat. Ideal for lunch boxes and after school snacks.
1954-55	Tangerines are easy to peel, segment, and eat. They're perfect for box lunches and snacks.
1955-56	No record.
1956-57	No record.
1957-58	Florida fun fruit that's easy to peel and rich in vitamin C.
1958-59	No record.
1959-60	No record.

Source: Annual reports and records of the Florida Citrus Commission.

tangerine consumer copy themes are a mixture of three basic selling points: (1) Easy to peel; (2) Taste; and (3) Health. Each season's advertising puts major stress on these three points, and therefore, the basic themes utilized for tangerine advertising have been quite similar from season to season. It seems as if the Commission has been content to re-run essentially the same themes each season in its consumer tangerine advertising. Perhaps the Commission would find it helpful to develop new tangerine copy themes as consumers are probably well familiar with the themes of tangerine advertising of seasons past.

Penetration of Florida Citrus Commission consumer advertising themes

In the spring of 1957, the United States Department of Agriculture surveyed homemakers in an effort to have them appraise various agricultural products. These homemakers were interviewed in 2,572 households across the nation. Two of the products under study were oranges and grapefruit. Homemaker appraisals of these two products are particularly relevant to the present discussion.

Over 90 per cent of the homemakers had heard of vitamin C and associated it with citrus fruits, particularly oranges. Fresh oranges and grapefruit were widely thought to be an excellent source of vitamins, stimulate appetites, and prevent or cure illness.

Grapefruit was bought mainly for its healthful qualities. Homemakers described it as non-fattening and good for diets. Next to its weight reducing qualities, homemakers gave taste or flavor as the reason for using grapefruit. This reason was also used as the reason for not using grapefruit by non-grapefruit households. These homemakers described grapefruit as "too bitter, tart, or sour."[5]

Evidently the vitamin C and health copy themes used by the Commission to advertise oranges have had considerable consumer penetration. The weight reducing copy theme used on Florida grapefruit has been firmly planted in the minds of homemakers. More "taste" themes for grapefruit to overcome the taste objections of non-grapefruit users would seem to be indicated. Perhaps this can be accomplished by showing consumers new and delicious ways to serve grapefruit and by in-store sampling by Commission merchandising representatives.

A Historical Analysis of Consumer Media Usage

The Florida Citrus Commission has utilized four main advertising media to present its advertising messages to consumers as shown in Table 24. These media are

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[5]Homemakers Appraise Citrus Products, Avocados, Dates and Raisins (Washington, D.C.: United States Government Printing Office, 1958), pp. 2ff.

TABLE 24

PERCENTAGE OF FLORIDA CITRUS COMMISSION CONSUMER ADVERTISING EXPENDITURES[a] BY MEDIA CLASS, 1935-36 THROUGH 1959-60

Season	News-papers	Maga-zines	Radio[b]	Tele-vision	Out-door	Car Cards	Total[c]
1935-36	61.0	18.7	20.1	---	---	---	99.8
1936-37	47.7	19.0	27.3	---	---	5.8	99.8
1937-38	52.0	18.0	25.4	---	---	4.5	99.9
1938-39	55.4	29.5	---	---	6.9	8.0	99.8
1939-40	33.1	45.2	1.3	---	15.3	4.9	99.8
1940-41	11.8	14.9	71.3	---	1.1	.7	99.8
1941-42	50.6	37.5	8.2	---	---	3.5	99.8
1942-43	48.2	33.7	4.2	---	---	13.7	99.8
1943-44	78.5	21.4	---	---	---	---	99.9
1944-45	76.3	22.8	.8	---	---	---	99.9
1945-46	54.0	28.7	17.2	---	---	---	99.9
1946-47	49.9	28.0	21.9	---	---	---	99.8
1947-48	42.2	35.3	22.4	---	---	---	99.9
1948-49	31.2	63.9	4.8	---	---	---	99.9
1949-50	32.4	66.0	1.4	---	.1	---	99.9
1950-51	53.7	29.4	16.4	---	.3	---	99.8
1951-52	33.9	29.5	36.2	---	.1	---	99.7
1952-53	31.8	36.1	31.5	---	.3	---	99.7
1953-54	32.6	37.0	5.0	25.0	.2	---	99.8
1954-55	24.6	21.1	23.0	30.8	.3	---	99.8
1955-56	26.1	13.7	7.2	52.4	.3	---	99.7
1956-57	19.6	18.7	6.5	54.8	.2	---	99.8
1957-58	12.1	16.7	2.5	68.1	.4	---	99.8
1958-59	22.5	33.3	.7	43.3	---	---	99.8
1959-60	36.4	54.3	---	9.2	---	---	99.9

Source: Computed from: Statements of Receipts and Disbursements (Lakeland, Fla.: Florida Citrus Commission, 1935-60).

[a] Includes space or time and production expenditures.

[b] Radio and television expenditures were combined from 1947-48 through 1952-53.

[c] Percentages in each season may not total to 100 per cent due to rounding.

newspapers, magazines, radio, and television. Outdoor, or billboards, and car cards have been used, but not for the major consumer advertising effort.

Although detailed information on Commission media planning is scarce from both published and private sources, enough is available to indicate the thinking of the Commission and its various advertising agencies in regard to media planning. Therefore, the present discussion will center around the Commission's: (1) Basic media strategy; (2) Use of newspapers; (3) Use of radio and television; and (4) Use of billboards and car cards.

Basic media strategy

The Commission on occasion has stated its basic media strategy. Since the selection of media is instituted by the advertising agency, it is assumed that Commission statements of basic media strategy reflect the thinking of its advertising agency and vice versa.

In a presentation manual prepared for new Commission members, the Commission's media strategy is presented as follows:

> The primary concept of the media strategy is continuity and flexibility. Various periods have been designated for special promotional drives, and these have been selected based on product need, seasonable supplies, consumer purchasing habits, and retailers' promotional activities. More intensive advertising efforts, therefore, have been provided for the

> featured product during the merchandise drive period to help make them not only more effective with the consumer but to help the dealer service organization secure greater trade cooperation.[6]

Benton and Bowles, Inc., the Commission's present advertising agency, has this to add to the Commission's concept of media strategy:

> The media strategy is to provide media vehicles offering the maximum opportunity for the exploitation of the new copy. Wherever possible, television commercial time and printed space must be sufficient to permit the complete and detailed delivery of the copy story.[7]

During a meeting of the Commission's Advertising and Merchandising Committee, Harry Warren, of Benton and Bowles, Inc., introduced another idea into over-all media strategy. During this meeting he said:

> They (Benton and Bowles) thought the thing to do with the anticipated budget of three million dollars for the coming year would be to concentrate in one advertising medium so that they (Florida Citrus Commission) would look big in that medium, and one of the most effective ways would be with television, providing they could get the right kind of show.[8]

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[6] Florida Citrus Commission Consumer Advertising Review (New York: Benton and Bowles, Inc., 1961), p. 1.

[7] Annual Marketing Plan for Florida Citrus Commission 1958-59 (New York: Benton and Bowles, Inc., 1958), p. 4.

[8] Minutes of Meeting of Advertising and Merchandising Committee and Industry Representatives, July 25, 1958, Florida Citrus Commission, Lakeland, Fla., p. 3. (In the files of the Commission.)

From these statements pertaining to media strategy, it can be seen that continuity, flexibility, merchandise promotional drives, time and space available, and "bigness," have been basic Commission considerations in media selection.

It is interesting to note that neither the Commission nor its advertising agency mention the type of consumers they are trying to reach as a primary consideration for media selection. This is probably due to the Commission's concept of its market as being the entire United States consuming population as pointed out in Chapter III.

The value of segmenting the market into consumer groups has previously been discussed from an over-all promotional standpoint. However, the specific benefit to be derived from such segmenting in regard to media selection has not been stated.

Marketing authorities have frequently mentioned the importance of knowing the consumer groups which make up a market as a necessary prerequisite to intelligent media selection. Two of these authorities are quoted below as illustrative of current marketing thinking on this subject.

In their book Advertising Theory and Practice, C. H. Sandage and Vernon Fryburger have this to say:

> The sender of the message can select the carrier with intelligence only after he knows the type or class of consumers to whom the message is to be directed. Is the message to be aimed at all types

> of consumers or to women, children, professional people, sports lovers, businessmen, farmers, Negroes, or some religious sect?[9]

In stating the things the modern media man would need for the job of creating a media plan for a client, Walter A. Gaw brings out this point:

> First, he faces the need for a complete picture of the client's marketing position--knowledge of what kinds of people represent the client's prospects, where they live, how old they are, whether they are men or women. . . .[10]

Obviously, the Florida Citrus Commission could benefit by considering the market segments to be reached in its over-all media strategy. W. E. Black, the Commission's Director of Economic and Marketing Research, comments on the value of market segmentation as a basis on which to base media selection in a study made for Florida's citrus industry. His comments are as follows:

> It is extremely unlikely that any one media can deliver the assorted types of family profiles suggested by citrus purchase patterns. Frozen orange juice concentrate and chilled orange juice have trends and consumer profiles that hold promise of potential growth. Media that do a good job for these two products are not likely to produce satisfactory

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[9]C. H. Sandage and Vernon Fryburger, Advertising Theory and Practice (Homewood, Ill.,: Richard D. Irwin, Inc., 1958), pp. 408f.

[10]Walter A. Gaw, Advertising Methods and Media (San Francisco, Calif.: Wadsworth Publishing Company, Inc., 1961), p. 232.

> results for other classifications of citrus products. A combination of media, carefully selected according to product purchase patterns, is desirable.[11]

To date, the Commission has not based its media selections on the information contained in Dr. Black's study.

Use of newspapers

The Florida Citrus Commission spends a considerable portion of its consumer advertising dollars in newspapers as shown in Table 24. An analysis of this table reveals that in only six of the twenty-five seasons shown has the Commission spent less than 30 per cent of its consumer advertising dollars in newspapers. Percentage newspaper expenditures range from a high of 78.5 per cent in 1943-44 to a low of 11.8 per cent in 1940-41.

When the Florida citrus industry has an abundance of fresh fruit to market, newspaper expenditures consume a greater percentage of total consumer advertising expenditures than when there is little fresh fruit to market. This is because newspapers are used primarily by the Commission as a carrier of its fresh fruit advertisements as indicated in the following:

> As regards newspapers, scheduling has been carefully timed to generate consumer

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[11]W. E. Black, Consumer Purchase Trends and Patterns for Citrus Products (Report prepared for the Advertising Advisory Committee, Florida Canners Association, June 7, 1961), p. 23.

> reaction to the seasonal availability of fresh fruit and as a powerful incentive to help enlist more retail tie-in advertising and display.[12]

Shipments to and arrivals of fresh Florida citrus fruit in consumer markets vary considerably from week to week during citrus shipping seasons. Producers and handlers withhold or release fresh citrus shipments in accordance with the prevailing supply conditions and market prices. The irregularity of these fresh fruit shipments and the regional distribution pattern of fresh Florida citrus requires a highly flexible advertising media. Newspapers meet this criteria because they exhibit territorial flexibility and time flexibility. That is, the advertiser can select the markets in which he wants his advertisements to appear and can insert his advertisements on giving the newspapers short notice, usually one day prior to publication.

Use of magazines

Magazines have been a primary carrier of Commission consumer advertising as shown in Table 24. From 14.9 to 66.0 per cent of the Commission's consumer advertising dollars have been spent in magazines in the seasons from 1935-36 through 1959-60. In eighteen of these seasons, more than 20 per cent of consumer advertising expenditures went to magazines.

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[12] Annual Marketing Plan for Florida Citrus Commission 1957-58 (New York: Benton and Bowles, Inc., 1957), p. 8.

The Commission uses magazines primarily to advertise processed citrus products. This was stated by the Commission's advertising agency in annual marketing plans presented to the Commission.

The Annual Marketing Plan for Florida Citrus Commission 1957-58 states the use of magazines as follows:

> Processed products with their color and appetite appeal lend themselves well to color advertising. Furthermore, because they are national in distribution, they can be given the advantages of selected magazines with their better color printing and up scale distribution.[13]

In the 1958-59 marketing plan, the Commission's advertising agency stated that "National magazines are used for canned products with their wide distribution."[14]

Magazines are suitable for advertising Florida's processed citrus products because these products have national distribution. Magazines, whose circulations parallel the distribution of processed citrus products by geographic area, would give little waste circulation. Furthermore, magazines allow a grade of printing and color use not possible in newspapers.

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[13] Ibid., p. 7.

[14] Annual Marketing Plan for Florida Citrus Commission 1958-59, op. cit., p. 6.

Use of radio and television

The Commission did not use television until the 1947-48 season as shown in Table 24. Prior to this season, radio consumed from .0 to 71.3 per cent of the Commission's consumer advertising budget.

Commission expenditures on radio and television were kept in a common account from 1947-48 through 1952-53. Since no separate accounts on these two media were kept during this period, no meaningful analysis is possible.

From 1953-54 through 1959-60, radio took less than 10 per cent of the Commission's consumer advertising expenditure in each of six seasons. In contrast, television accounted for from 9.2 per cent to 68.1 per cent of these expenditures during the same period and in each of six seasons consumed 25 per cent or more of consumer advertising expenditures.

The reasons for the Commission's use of these two media have not been specifically stated in recent years, and definite reasons could not be secured from Commission personnel. However, in the case of radio, a statement made in 1940 may indicate the Commission's thinking on this media, as follows:

> One of the major considerations that dictated the use of radio as a major activity for the coming season was the consistency, frequency, and elasticity it provides. Products in need of strong advertising backing can be

> supported on a moment's notice. The ability of the human voice to deliver a much wider range of advertising appeals than could possibly be featured in cold type was another consideration.[15]

Use of billboards and car cards

During most seasons shown in Table 24, billboard and car card expenditures were minor parts of total Commission consumer advertising expenditures. In no season shown have either media accounted for more than 15.3 per cent of this total.

The Commission discontinued car card advertising at the end of the 1942-43 season. Outdoor advertising expenditures have been less than 1 per cent of total consumer advertising expenditures since the 1949-50 season.

No records indicating the reasons for the Commission's use of car cards could be found. Commission personnel interviewed could shed no light on this subject, and advertising agencies employed by the Commission during the seasons car cards were in use, advised that records were unavailable.

On the other hand, talks with Commission personnel indicate that outdoor advertising has been exclusively devoted to billboards in Florida, which are designed to influence tourists to take home, or mail to their friends, gift boxes of fresh Florida citrus fruit.

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[15]Bulletin Number 208 (Lakeland, Fla.: Florida Citrus Commission, September 28, 1940), p. 2.

CHAPTER VIII

MERCHANDISING, PUBLICITY, ETHICAL ADVERTISING, AND YOUTH AND SCHOOL PROGRAMS OF THE FLORIDA CITRUS COMMISSION

Consumer advertising is only one part of the Commission's promotional efforts. Through the years, merchandising, publicity, ethical advertising, and school education programs have been carried out in an effort to increase the consumption of Florida citrus products.

Just how have these programs been carried out? What policies have guided them? What indications of success or failure are available to assess their worth to the Florida citrus industry? These questions will be answered in the following pages.

Merchandising Program

The Florida Citrus Commission established a sales promotion department during the 1935-36 season.[1] This department was ultimately renamed the Merchandising Department and grew from its original staff of two men to fifty-five merchandising representatives during the 1959-60 season as shown in Table 25.

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[1]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1936 (Lakeland, Fla.: Florida Citrus Commission, 1936), p. 2.

TABLE 25

NUMBER OF MERCHANDISING REPRESENTATIVES EMPLOYED BY THE FLORIDA CITRUS COMMISSION BY SEASON, 1935-36 THROUGH 1959-60

Season	Number of Merchandising Representatives
1935-36	2
1936-37	5
1937-38	5
1938-39	5
1939-40	7
1940-41	20
1941-42	8
1942-43	11
1943-44	10
1944-45	11
1945-46	11
1946-47	17
1947-48	12
1948-49	20
1949-50	25
1950-51	30
1951-52	35
1952-53	55
1953-54	55
1954-55	65
1955-56	62
1956-57	65
1957-58	55
1958-59	55
1959-60	55

Source: Annual reports and records of the Florida Citrus Commission.

The merchandising program is maintained to promote a sound relationship between the Florida citrus industry and many retail organizations and to assist these organizations in promoting the sale and use of citrus products in their various forms.[2] Specifically, it is charged with securing adequate distribution of Florida citrus products in wholesale and retail channels, securing prominent display for Florida citrus products at the point-of-purchase, securing retail tie-in advertising, and securing effective in-store promotion.[3]

To accomplish these tasks, the merchandising field staff is divided into four divisions. The Eastern Division consists of the Atlantic coast area and Eastern Canada; the Central Division covers the central section of the United States and Central Canada; the Western Division encompasses the Midwestern area of the United States and Western Canada; and the Southern Division covers all the Southern states from Oklahoma and Texas eastward. A division manager is in charge of each division, and a regional manager is responsible for operations in each principal market.[4]

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[2]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1957 (Lakeland, Fla.: Florida Citrus Commission, 1957), p. 17.

[3]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1946 (Lakeland, Fla.: Florida Citrus Commission, 1946), p. 4.

[4]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1960 (Lakeland, Fla.: Florida Citrus Commission, 1960), p. 26.

The merchandising staff contacts auction companies in terminal markets, fresh fruit wholesalers, brokers, receivers, frozen food distributors, drug and fountain groups, and hotel and restaurant associations and keeps them informed regarding Commission advertising and merchandising schedules. In addition, merchandising representatives keep retail organizations informed regarding Commission advertising schedules and attempt to get these organizations to tie-in their own advertising and merchandising programs with Commission advertising being run in their markets.[5]

At the beginning of each season, a brochure outlining the promotions to be conducted by the Commission is mailed to retail organizations. Trade luncheons are conducted during which Commission advertising and merchandising programs are presented. Merchandising representatives then contact the trade and try to secure tie-in advertising, displays, and in-store promotions on the products being featured in Commission advertising during each promotional period.[6]

Throughout the year, merchandising men arrange promotions with retail organizations, build displays of Florida

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[5]Ibid., pp. 26ff.

[6]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1956 (Lakeland, Fla.: Florida Citrus Commission, 1956), p. 4.

citrus products, schedule showings for Florida citrus movies, and supply retailers with point-of-sale material. In-store demonstrations are conducted during which consumers receive free samples of Florida citrus products. Retail store personnel receive prizes of cash, bonds, and other premiums for outstanding jobs of promoting, displaying, and selling Florida citrus products.[7]

Merchandising policies

Guiding policies are the exception rather than the rule in the Commission's merchandising program. However, there are two written policies which have a major effect on portions of the merchandising program.

The Commission is very careful to merchandise Florida citrus products as a whole and not give special attention to any one brand. Merchandising representatives are instructed that "In no instance is a dealer service representative to distribute or post any type of private brand display material."[8]

This point comes up again in regard to the store demonstration policy followed since 1935. This policy states:

> Store demonstrations shall be planned and scheduled by our field representatives through the retail organization. This can

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[7]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1960, op. cit., p. 6.

[8]Minutes of Meeting of Advertising Committee, September 7, 1949, Florida Citrus Commission, Lakeland, Fla., p. 3. (In the files of the Commission.)

> be handled either through chain headquarters or through the manager of the store in which the demonstration is to be held. In no case can a demonstration be held by a broker or distributor. Commission equipment will be installed, the display built, demonstrators hired, and the promotion supervised by the field representative. All expenses in connection with the demonstration will be paid by the Florida Citrus Commission. . . . At no time during any of these promotions will any one brand be promoted or displayed in preference to another brand.[9]

The Commission is wise to adhere to a policy of not playing favorites in merchandising brands. To do otherwise would open the merchandising department to considerable pressure from industry factions which sell Florida citrus under private brand names. In addition, the Florida Citrus Commission was founded to promote the welfare of the Florida citrus industry as a whole, not any particular segment.

Results of the merchandising program

Since the merchandising department of the Commission is charged with securing adequate distribution of Florida citrus products in wholesale and retail channels, obtaining prominent display for these products at the point-of-purchase, soliciting retail tie-in advertising, and securing effective in-store promotion, indications of success or

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[9]Minutes of Meeting of Advertising Committee, July 20, 1953, Florida Citrus Commission, Lakeland, Fla., p. 13. (In the files of the Commission.)

failure in these areas will give some indication of the effectiveness of the merchandising program.

Although Commission records are far from complete on quantitative measures of merchandising activities, there is enough data available in these areas for a limited analysis. The number of trade calls made by Commission merchandising representatives each season has been recorded since the 1943-44 season with the exception of the 1947-48 and 1948-49 seasons. The number of merchandising representatives employed, the number of trade calls made by these merchandising representatives, and the average number of calls per merchandising representative are shown in Table 26.

An examination of the average number of trade calls made per season per merchandising representative gives an indication of the pressure being put on the trade to distribute Florida citrus products. The average number of trade calls per merchandising representative shows substantial, although not steady, improvement through the years. Merchandising representatives made substantially more calls per man from the 1955-56 season through the 1959-60 season than was true prior to this period. This is one indication that the merchandising department has been increasing in efficiency in recent years.

It is also interesting to note the total number of trade calls made each season. These show a gain in most

TABLE 26

AVERAGE NUMBER OF TRADE CALLS MADE BY FLORIDA CITRUS COMMISSION MERCHANDISING REPRESENTATIVES BY SEASON, 1943-44 THROUGH 1959-60

Season	Number of Merchandising Representatives	Number of Trade Calls	Average Number of Trade Calls Per Representative
1943-44	10	9,826	982
1944-45	11	6,780	616
1945-46	11	9,299	845
1946-47	17	19,287	1,134
1947-48	12	No record	---
1948-49	20	No record	---
1949-50	25	32,350	1,294
1950-51	30	45,684	1,522
1951-52	35	50,000	1,428
1952-53	55	81,741	1,486
1953-54	55	89,000	1,618
1954-55	65	102,852	1,582
1955-56	62	108,527	1,750
1956-57	65	108,054	1,662
1957-58	55	120,931	2,198
1958-59	55	105,445	1,917
1959-60	55	104,061	1,892

Source: Annual reports and records of the Florida Citrus Commission.

seasons which indicates that the merchandising representatives are calling on more accounts, on the same accounts more frequently, or a combination of both. Which of these is true cannot be accurately ascertained because detailed records are unavailable in these areas. However, an increasing number of trade calls by Commission merchandising representatives is an indication that increasing pressure has been applied to middlemen to get them to distribute Florida citrus products.

Since Commission retail point-of-sale material is ordered through the merchandising representatives, or directly from the Commission, and is not mailed out without requests being received, it is reasonable to assume that a substantial portion of this material is used by retailers in building citrus displays. Therefore, the number of pieces of point-of-sale material distributed each season by the Commission gives an indication of display activity on Florida citrus products during each season. This information is contained in Table 27 for the seasons for which figures are available.

An analysis of this table reveals that about five times as much point-of-sale material was distributed from the 1956-57 through the 1959-60 seasons than was distributed from the 1943-44 through the 1946-47 seasons. This indicates that Florida citrus products have been receiving much more point-of-sale support in recent years than was true in earlier periods.

TABLE 27

FLORIDA CITRUS COMMISSION POINT-OF-SALE MATERIAL DISTRIBUTED TO MIDDLEMEN BY SEASON, 1943-44 THROUGH 1959-60

Season	Number of Pieces of Point-of-Sale Material Distributed
1943-44	2,163,154
1944-45	742,875
1945-46	1,031,546
1946-47	2,226,377
1947-48	No record
1948-49	No record
1949-50	2,500,000
1950-51	3,947,982
1951-52	5,500,000
1952-53	5,500,000
1953-54	6,712,000
1954-55	9,149,950
1955-56	6,995,602
1956-57	7,941,772
1957-58	6,226,520
1958-59	7,364,562
1959-60	7,819,120

Source: Annual reports and records of the Florida Citrus Commission.

Complete records of the estimated dollar amount spent by retailers on advertising Florida citrus products are not available since the Commission does not employ a clipping service to make such estimates. However, on the basis of actual newspaper advertising clippings, the Commission estimated that $643,836 was spent by retailers in advertising Florida citrus products during the 1952-53 season and $775,065 in the 1953-54 season. This retail tie-in advertising expense is borne entirely by the retailer as the Commission does not offer cooperative advertising allowances.

Although the preceding analysis is only a rough indication of the effectiveness of the Commission's merchandising program, it at least furnishes some guide as to how successful the program has been. Further indications are secured from a study of the merchandising program completed by Dr. W. E. Black, in August, 1960. To gather the information for his Trade Survey and Evaluation of the Florida Citrus Commission Merchandising Program, Dr. Black personally visited 126 food trade factors in nineteen United States markets and obtained completed questionnaires from eighty-nine of them. Of the firms interviewed, 89 per cent were corporate chains or voluntary and cooperative groups. Persons interviewed were those usually called on by Commission merchandising representatives.

Commission merchandising service was judged superior to other grower supported organizations by 70 per cent of the respondents and superior to other suppliers by 62 per cent. The four most wanted merchandising services were point-of-sale material, displays, demonstrations, and prize incentive programs for employees. The Commission merchandising program provided these services to trade factors. However, 67 per cent of those interviewed thought the Commission did not have sufficient manpower in their markets to adequately serve them.[10]

The advertising schedule of the Commission was familiar to 68 per cent of the respondents. However, 83 per cent did not use this advertising schedule in planning their merchandising programs, 85 per cent said it was not profitable for them to tie-in their merchandising programs with this schedule, and 84 per cent said they did not tie-in their media advertising with Commission media advertising. Furthermore, although 75 per cent said they were familiar with the planned program of merchandising events issued by the Commission, 79 per cent of these did not arrange their own in-store promotions to tie-in with the Commission planned program of merchandising events, 87 per cent did not tie-in their food advertising with these events, and 84 per cent thought they did not sell more Florida citrus

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[10]W. E. Black, Trade Survey and Evaluation of the Florida Citrus Commission Merchandising Program (Lakeland, Fla.: Florida Citrus Commission, 1960), pp. 6ff.

products because of these planned programs of merchandising events.[11]

It seems apparent from the above that a great part of the food trade was not coordinating its advertising and merchandising efforts with those of the Commission. Three of the reasons for this were: (1) Announcements and material on each planned program of merchandising events were not received in time to be useful by 55 per cent of the respondents; (2) The Commission's advertising schedule mailed to the trade pertained primarily to magazine and television advertising, and most trade factors stated that magazine advertising cannot be merchandised; and (3) Local newspaper ads were not always announced in advance, and some were cancelled. Adequate retail advertising and merchandising tie-ins cannot be secured until these weaknesses are corrected.[12]

Other portions of the survey were concerned with the Commission's point-of-sale material, displays, demonstrations, and prize incentive programs for employees. The trade reaction to Commission point-of-sale material was generally excellent. Trade factors estimated that 88 per cent of Commission point-of-sale material received was actually used in their stores, 94 per cent thought this

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[11] Ibid., pp. 9f.

[12] Ibid., pp. 9ff.

material to be generally suitable, and 88 per cent said they advertised citrus products when Commission point-of-sale material was used. Commission point-of-sale material brought about more in-store promotion and tie-in advertising than the Commission's advertising schedule and merchandising brochures combined. The principal weakness of point-of-sale material was that its themes were not uniformly supported by the Commission's consumer media advertising.[13]

Display building was the greatest time consumer of the merchandising program, but next to point-of-sale material it was most wanted by the trade. The displays built by Commission merchandising representatives were said to be effective in stimulating sales by 100 per cent of the respondents, 74 per cent had seen them in their own stores, and 76 per cent said they encouraged their own store personnel to build similar displays. Eighty-nine per cent of those interviewed said that Commission displays were more effective than those set up by other suppliers. The main trade suggestion for improvement of the displays was to do more of them.[14]

Demonstrations were popular among trade factors. Of those interviewed, 67 per cent said a Commission

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[13] Ibid., pp. 10ff.

[14] Ibid., p. 12.

representative had conducted a demonstration in their stores, 100 per cent of these said these demonstrations were properly arranged and conducted, and 96 per cent said that the demonstration increased sales. Distributors of frozen orange concentrate, chilled juice and salads, and fresh Temple oranges and tangelos were zealous in their demands for demonstrations.[15]

The prize and premium program, whereby store managers or store department managers were awarded prizes by the Commission for outstanding displays and high sales, was well accepted by the trade. Seventy-six per cent of the persons interviewed said their companies approved of merchandising programs which offered prize incentives to their employees and 74 per cent had participated in one or more of the Commission's prize and premium programs. Of those who participated in Commission programs, 98 per cent reported satisfactory results. Therefore, the objective of the prize and premium program, which is to motivate store personnel to put special effort on the display and sales of fresh and processed Florida citrus, seems to be paying off.[16]

Generally, the merchandising program is well-liked and accepted by the trade it is designed to serve. However, three major weaknesses are apparent: (1) The

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[15] Ibid., pp. 12ff.

[16] Ibid.

advertising schedule presented to the trade in brochure form is not effective in securing retail tie-in advertising; (2) Merchandising brochures, which contain themes and display diagrams in addition to the advertising schedule, are not motivating retailers to tie-in their merchandising programs with the Commission's planned program of merchandising events; and (3) Commission advertising is not being merchandised by the trade to a great degree. When these three weaknesses are overcome in the Commission's merchandising program, the Florida citrus industry will get a greater sales dollar return for money spent on the Commission's merchandising program.

Publicity Program

The Florida Citrus Commission has conducted a consumer publicity program since 1935 to secure consistent, frequent, and favorable attention in the nation's food press.[17] Since its inception, the Commission's publicity program has been designed to secure as much "free" space and time as possible and insure that news about Florida citrus products gets in those publications where advertising cannot be purchased or sensibly afforded.[18]

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[17] Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1959 (Lakeland, Fla.: Florida Citrus Commission, 1959), p. 29.

[18] Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1953 (Lakeland, Fla.: Florida Citrus Commission, 1953), p. 14.

Dudley, Anderson, Yutzy of New York City has been the Commission's consumer publicity agency since 1935 and has conducted a varied publicity program. The great bulk of publicity plans, programs, and materials have been developed by the agency, and no records of written Commission publicity policies can be found.

A home economics department is maintained by Dudley, Anderson, Yutzy. In the test kitchen of this department are developed new ideas, uses, and recipes for Florida citrus products. This test kitchen is the nucleus of the Commission's food publicity operation, and recipes developed and tested there are sent to the food editors of newspapers, magazines, radio stations, and television stations throughout the United States.[19]

Publicity releases, stories, black-and-white photographs, color photographs, black-and-white mats, and color mats are released to printed media and national press syndicates. Radio and television scripts are prepared and sent to stations for broadcasting purposes. Short films have been produced for television publicity and have been utilized by television stations in their daily programming.

The Commission is represented by the publicity agency at many important media and professional conventions, such as the American Home Economics Association, Newspaper Food Editors Conference, American Dietetic Association, and

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[19] Ibid., pp. 14ff.

American Medical Association.[20] Meetings of the National 4-H Club and other youth clubs are attended and literature is distributed.

Lunches for food editors, trips for food editors through the citrus regions of Florida, traveling home economists, consumer contests and showings of Florida citrus industry films round out a full publicity program. Many of these activities are not susceptible to measurement except in an indirect way through the printed circulation of Florida Citrus Commission publicity, number of programs on radio and television, and the value of space and time utilized for Florida citrus publicity messages.

Results of the publicity program

Accurate quantitative measurements of the effectiveness of the Commission's publicity program are lacking except for a non-continuous series of figures showing the printed clipping circulation of Commission newspaper food page publicity by season. These circulation figures are presented in Table 28.

This table shows an increase in food page circulation of Commission publicity messages each season from 1949-50 through 1955-56. This indicates that Commission publicity messages had the opportunity of being seen by an increasing

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[20]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1960, op. cit., p. 39.

TABLE 28

CIRCULATION OF FLORIDA CITRUS COMMISSION NEWSPAPER FOOD PAGE PUBLICITY BY SEASON, 1942-43 THROUGH 1955-56

Season	Circulation
1942-43	200,928,889
1943-44	No record
1944-45	895,197,435
1945-46	915,430,188
1946-47	986,778,407
1947-48	No record
1948-49	No record
1949-50	571,414,177
1950-51	660,835,242
1951-52	711,655,966
1952-53	774,685,339
1953-54	802,456,733
1954-55	856,355,306
1955-56	940,151,020

Source: Annual reports and records of the Florida Citrus Commission.

number of persons during this period. However, the lack of other quantitative measures makes it impossible to attempt even a rough approximation of the effectiveness of Commission publicity efforts.

Ethical Advertising Program

The ethical advertising program of the Commission was founded in 1947 to educate professional groups such as physicians, nurses, dentists, home economists, dieticians, hospital administrators, and public health officials to a full realization of the nutritional and therapeutic virtues of citrus products. In addition, this program was designed to enlist the active support of these groups and get them to recommend the liberal use of citrus products by those with whom they come in contact.[21]

Noyes and Sproul, of New York, handled the Commission's ethical advertising program from July, 1947, to June, 1960. Cortez F. Enloe, Inc., of New York, was given the ethical advertising account in June, 1960.

The ethical market is broken down into five basic groups, each of which receives its own special appeal and copy treatment. These groups are: (1) Physicians and osteopaths with special emphasis on pediatricians;

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[21]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1951 (Lakeland, Fla.: Florida Citrus Commission, 1951), p. 9.

(2) Nurses; (3) Dentists; (4) Hospitals; and (5) Home economists. Each of these groups are reached through advertising placed in their professional journals.[22]

Although the copy themes used vary from year to year, the following are illustrative of the types of appeals made to the ethical market through Commission advertising:

"Will 200,000 Newborns Develop Hidden Scurvy?"

"26 Million Overweight Americans"

"Citrus Can Help to Speed Recovery in 10 Million Surgical Cases"

"Sniffles are in Season"

Professional people are also reached through a medical publicity program conducted by the consumer publicity agency. In addition, booklets and charts pointing out the health benefits of citrus are mailed to professionals in an effort to get them to recommend citrus products to those with whom they come in contact.

The number of advertising dollars spent on Commission ethical advertising efforts are small when compared with consumer advertising expenditures, as is shown in Table 29. In only one season has ethical advertising expenditures exceeded 5 per cent of consumer advertising expenditures. In all but the 1951-52 season, ethical advertising expenditures have been less than $100,000 and have shown no tendency to increase in any consistent fashion. On the

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[22] Ibid.

TABLE 29

COMPARISON OF FLORIDA CITRUS COMMISSION ETHICAL ADVERTISING EXPENDITURES WITH CONSUMER ADVERTISING EXPENDITURES BY SEASON, 1947-48 THROUGH 1959-60

Season	Ethical Advertising Expenditures	Consumer Advertising Expenditures	Ethical Advertising Expenditures as a Per Cent of Consumer Advertising Expenditures
1947-48	$39,066	$1,246,424	3.1%
1948-49	52,619	1,379,411	3.8
1949-50	60,004	1,431,097	4.1
1950-51	88,830	1,257,174	7.0
1951-52	105,974	2,670,334	3.9
1952-53	88,665	2,285,279	3.8
1953-54	96,429	2,522,531	3.8
1954-55	92,935	3,678,727	2.5
1955-56	23,901	3,058,980	0.7
1956-57	62,645	3,365,699	1.8
1957-58	64,787	3,090,160	2.0
1958-59	86,365	4,032,166	2.1
1959-60	80,539	4,227,830	1.9

Source: Computed from: Statements of Receipts and Disbursements (Lakeland, Fla.: Florida Citrus Commission, 1947-1960).

other hand, consumer advertising expenditures have shown a strong tendency to increase through the years. Evidently the Commission regards its ethical advertising program as a minor part of its entire advertising program and is not willing to increase expenditures in this area to the same degree as is true in the consumer area.

There are no specific measures available to indicate the effectiveness of the Commission's ethical advertising program in increasing the consumption of citrus. Its influence on the consumption of Florida citrus products cannot be separated from that of the other promotional tools utilized. However, the influences of the ethical advertising program are reflected in the over-all measures of the Commission's promotional efforts, which will be introduced in a later chapter.

Youth and School Program

This program was instituted in the 1951-52 season under the name "School Education Program." It was renamed the "Youth and School Program" in 1960.

This program had its beginning when studies made of school children showed that four out of ten children were not getting enough vitamin C every day.[23] Based on these studies, the Commission developed a long range, educational,

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[23]Minutes of Meeting of Advertising and Merchandising Committee, December 1, 1960, Florida Citrus Commission, Lakeland, Fla., p. 11. (In the files of the Commission.)

health program to relieve this vitamin C deficiency and at the same time increase the consumption of Florida citrus products. This program eventually won the endorsement and approval of health, educational, and parental leaders in the state and operated through an advisory committee consisting of representatives from the State Department of Education, State Board of Health, Florida Congress of Parents and Teachers, State Dental Association, State Medical Association, University of Florida, Florida State University, State Home Demonstration Office, and the Florida Education Association.[24]

This program has operated in three phases: (1) Public relations phase to stimulate and coordinate the activities of organizations interested in increased use of citrus information and products; (2) Educational phase to develop supplementary teaching materials on citrus for the education of children, parents, and teachers and the presentation of the materials to these groups; and (3) Action phase to create a situation in which citrus consumption becomes a definite part of each child's day.[25]

The program operates in all fifty states. Educational material on Florida citrus products and the constant need for vitamin C in the diet are sent to

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[24]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1953, op. cit., p. 19.

[25]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1954 (Lakeland, Fla.: Florida Citrus Commission, 1954), p. 19.

educators in the form of booklets, posters, and charts, upon request. Assistance to schools in making orange juice available to their students is given in the form of orange juice dispensers. The program is not trying to get orange juice into all schools because of sanitation problems, price of orange juice, and cost of dispensers.[26] However, the activities in this area will undoubtedly increase as a special budget was established for the Youth and School Program in 1960.

The effects of this program could be inferred from the number of requests received for educational literature each season and the number of pieces of this material distributed. Unfortunately, records of these two factors were not kept prior to the 1959-60 season. In the 1959-60 season 10,870 requests were received, and 187,089 pieces of school education material were mailed out. In 1960-61, 17,491 requests were received and 349,264 pieces were distributed. In the first half of the 1961-62 season, requests totalled 9,613 and 259,246 pieces were mailed.[27] It appears from this limited data that the volume of requests for school educational

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[26]Minutes of Meeting of Advertising and Merchandising Committee, December 1, 1960, op. cit., p. 11.

[27]Received from Ted Hodson, Director of the Youth and School Program, Florida Citrus Commission.

material and the number of pieces of this material mailed are growing yearly. However, the effects of this material on raising the per capita consumption of Florida citrus cannot be determined with present day analytic tools. The Youth and School Program is a long range effort to educate each generation to the benefits of consuming citrus products. Since it has only been in effect since the 1951-52 season, enough time has not elapsed to appraise its contribution to the Florida Citrus Commission's over-all objectives, and it is extremely doubtful whether such long range efforts can be meaningfully separated from the effects of the other Commission promotional activities.

CHAPTER IX

FOREIGN PROMOTIONAL EFFORTS

The European market is a vast, potential customer for the products of Florida's citrus industry. Many Europeans are heavy consumers of citrus products, especially of fresh oranges and tangerines. However, the European market has not been cultivated by the Florida Citrus Commission to anywhere near the same extent as the United States and Canadian markets.[1] Tariffs, quotas, exchange controls, shipping problems, consumer tastes, crop factors, and world competition have combined to make heavy European promotion of Florida citrus a less desirable venture than domestic promotion.

However, the Florida Citrus Commission has expended promotional funds in Europe during some Florida citrus seasons. As the many problems of marketing Florida citrus products in Europe are solved, the Commission can be expected to increase promotional effort in that area.

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[1]Canada is regarded as an extension of the United States market by the Florida Citrus Commission. Statistics on Canadian markets are kept with those on United States markets.

Other foreign countries are inconsequential consumers of Florida citrus at the present time. Therefore, this analysis will restrict itself to the European market for citrus products.

Europe, as a market for Florida citrus, will be examined under five headings: (1) European potential for citrus products; (2) Problems of marketing Florida citrus in Europe; (3) Competition for the European citrus market; (4) Florida Citrus Commission European promotional efforts; and (5) Progress in developing the European market for Florida citrus products.

European Potential for Citrus Products

Canada is the best customer of United States citrus, both fresh and processed. Next to Canada, Europe is the most important export customer of the United States citrus industry for both fresh and processed citrus fruit. During the 1959-60 season, Canada took approximately 68 per cent of the United States fresh orange and tangerine exports, 75 per cent of its fresh grapefruit exports, 76 per cent of its single-strength orange and grapefruit juice exports, and 79 per cent of its frozen concentrate exports. During the same period, Europe took approximately the following portions of total United States citrus exports: fresh oranges and tangerines, 13 per cent; fresh grapefruit, 23 per cent; single-strength orange and grapefruit juice,

18 per cent; and frozen concentrate, 18 per cent.[2] Together, Canada and Europe accounted for 81 per cent of United States fresh orange and tangerine exports, 98 per cent of United States fresh grapefruit exports, 94 per cent of United States single-strength juice exports, and 97 per cent of United States frozen concentrate exports.

The Canadian market is much better developed than the European market due to its proximity to United States citrus growing regions and the lack of continued protective efforts on citrus products by the Canadian government. However, Western Europe is regarded as the world's largest market for oranges and tangerines. There are over 204 million potential customers in the twelve European countries of Austria, Belgium, Denmark, Finland, France, West Germany, Ireland, the Netherlands, Norway, Sweden, Switzerland, and the United Kingdom.[3]

Western Europe is considered to be the world's best market for table oranges. However, many of the oranges bought by West Europeans are varieties not raised in commercial quantities in the United States.[4] Europeans

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[2]J. Henry Burke, "United States Winter Citrus: Outlook for Competition in Europe," Foreign Agriculture Circular, Foreign Agricultural Service, U.S.D.A., January, 1961, pp. 9ff.

[3]J. Henry Burke, "Western Europe: A Market for United States Fresh Citrus," Foreign Agriculture Circular, Foreign Agricultural Service, U.S.D.A, September 8, 1959, p. 1.

[4]Ibid., pp. 1f.

are giving more thought to the purity of food and its health value. There is an increasing emphasis on vitamins, light diets, and temperance.[5] All of these factors point up West Europe's tremendous potential as a consumer of United States citrus products. Practically all of West Europe's increased fresh citrus fruit consumption has been in oranges. Grapefruit are not as popular as oranges among Europeans, and when Europeans do eat grapefruit, they prefer the smaller sizes.[6]

Single-strength citrus juice is widely distributed in most West European markets where imports are not restricted, and Florida juices dominate in these markets. Frozen juice sales have been slow in Europe, and countries such as Denmark and Norway are comparatively unacquainted with citrus juices. Advertising could probably stimulate the sale of juices by answering such consumer questions as:

> What is juice? How is it produced? Are the food values of the fruit in the juice? Why should juice be used for health purposes? How do you use juice? How do you ask for juice at the store?[7]

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[5]J. Henry Burke, "Western Europe: A Market for United States Citrus Products," Foreign Agriculture Circular, Foreign Agricultural Service, U.S.D.A., August 18, 1959, p. 1.

[6]J. Henry Burke, "Citrus Markets and Marketing in Western Europe," Foreign Agriculture Report Number 79, Foreign Agricultural Service, U.S.D.A., February, 1954, pp. 2ff.

[7]Ibid., pp. 3ff.

These are all very real problems. The German word for juice, "saft," is unfamiliar even to many German speaking people.[8]

To tap the tremendous potential of the West European market, the Florida citrus industry will have to solve both internal and external problems and expand its promotional efforts in the West European area.

Problems of Marketing Florida Citrus Products in Europe

The principal problems the Florida citrus industry must solve relate to both internal and external factors. Internal factors relate to the quality of Florida citrus shipments to Europe, and external factors are the various trade restrictions imposed on Florida citrus by European nations.

Since fresh Florida citrus travels such a great distance to European markets, the problem of decay is the major complaint against United States fruit by European importers. The fruit must often be repacked before it can be transshipped due to the decay factor.

The problem of decay and the quality of fresh Florida citrus exports has been brought to the attention of the Florida Citrus Commission. In 1954, O. C. Minton, a Commission member, said that "Unless something is done to

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[8]J. Henry Burke, "Western Europe: A Market for United States Fresh Citrus," op. cit., p. 3.

regulate the quality of export shipments, the Commission will be wasting money on export advertising." "At the present time," he said, "there are no regulations on the size or grade for export shipping. . . ."[9] A search of Commission regulations and records reveals that no such regulations are in effect at this date.

Another closely related problem is that some European countries have restrictions on the importation of artificially colored oranges. This severely limits the importation of fresh Florida citrus into these markets, and effectively blocks the use of Florida oranges in making cominuted juice drink, a product expanding in popularity among Europeans. Only untreated fruit can be used in this drink as the whole fruit is liquidized, peel and all. At the present time, only non-United States citrus is being used to make this drink.[10]

At various times European nations have imposed different types of trade barriers to United States citrus products. Embargoes, tariffs, quotas, and exchange controls have been used to block the free entry of Florida citrus.

During World War II, the Florida citrus export market was completely eliminated. Directly after World War II,

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[9]Minutes of Meeting of Advertising and Merchandising Committee, November 10, 1954, Florida Citrus Commission, Lakeland, Fla., p. 2.

[10]J. Henry Burke, "Western Europe: A Market for United States Fresh Citrus," op. cit., p. 3.

a dollar shortage in European markets forced Florida exporters to forego citrus fruit shipments to those markets.[11]

By 1959 a great many trade barriers that had previously hampered the entry of Florida citrus into European markets were lowered. In that year, Belgium, Germany, the Netherlands, Austria, Denmark, Ireland, Norway, Sweden, and Switzerland, had no import controls, or would automatically issue licenses and permits, on United States fresh citrus fruit. Italy and Finland had embargos against fresh United States citrus fruit during this year, and France and the United Kingdom utilized other restrictions. France would allow lemons and grapefruit to be imported at any time, but United States oranges only from June 15 to September 30 each year. The United Kingdom allowed United States oranges to enter freely, but United States grapefruit could be imported only from April 1 to September 30, up to specified quantitative limits.[12]

The trade restrictions imposed by France and England severely curtailed Florida exports to these countries. Since Florida's main orange exporting season is during the

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[11]James T. Hopkins, Fifty Years of Citrus (Gainesville, Fla.: University of Florida Press, 1960), pp. 216f.

[12]Prospects for Foreign Trade in Fruits, Vegetables, Tree Nuts (Washington, D.C.: United States Department of Agriculture, December, 1959), pp. 10f.

November to May period, France was virtually eliminated as an export market for fresh Florida oranges. However, in 1961, the French government relaxed its restrictions and fresh oranges may now enter France from January 1 to May 31. Robert W. Rutledge, executive vice-president of Florida Citrus Mutual, made this statement about the relaxed French restriction:

> This gives us an opportunity to compete on equal terms with other citrus producing countries to supply French demands for oranges and orange products.[13]

In regard to the restriction placed on United States grapefruit by the United Kingdom, Florida has not fared as well as in the case of France. Florida exports of fresh grapefruit are made from December through April, and thus are effectively barred from the British market. In reference to this British restriction, J. Henry Burke, a marketing specialist for the Foreign Agricultural Service of the United States Department of Agriculture, has this to say:

> Continued British discrimination against United States grapefruit is the greatest remaining European market obstacle for United States winter grapefruit exports. While dollar grapefruit is excluded from the United Kingdom from October 1 to April 1, all other grapefruit producers

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[13]Tony Schiappa, "French Action Will Allow Imports of U.S. Oranges," The Tampa Tribune, December 13, 1961, p. 5-B.

> have access to the United Kingdom market which consumes about 70 per cent of the grapefruit sold in Europe.[14]

Florida citrus growers can look for increased tariff problems in Europe if the tariffs proposed by France, West Germany, Italy, the Netherlands, Belgium, and Luxembourg, the six nations participating in the European Common Market, are put into effect. This group is proposing duties of 20 per cent of the value of fresh oranges and 11 per cent of the value of fresh grapefruit on shipments made into the European Common Market from the United States. In addition, they are also considering duties on canned citrus juices and canned grapefruit sections. The respective proposed duties on these items shipped from the United States are 21 per cent and 27 per cent of their value. Italy and North Africa will be able to ship their products into the Common Market duty free.[15]

In the opinion of Sven W. Nelson, a foreign regional manager of the Florida Citrus Commission, "The handwriting is on the wall that the Common Market is going to be protectionist and possibly isolationist with regard to agriculture."[16]

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[14]J. Henry Burke, "United States Winter Citrus: Outlook for Competition in Europe," op. cit., p. 6.

[15]"Tariff Troubles Loom for Exports of Citrus," The Tampa Tribune, July 28, 1961, p. 16-C.

[16]Ibid.

Competition for the European Citrus Market

Many nations compete for the European citrus market. Algeria, Cyprus, Greece, Italy, Morrocco, Spain, Tunisia, Israel, and the United States supply Europeans with oranges and tangerines. Algeria, British Honduras, Cuba, Cyprus, Israel, Jamaica, Morrocco, Spain, and Trinidad are suppliers of grapefruit. The United States is a minor supplier to Europe of fresh oranges and tangerines and supplied only about 2.5 per cent of the total shipped to Austria, Belgium, France, West Germany, Ireland, the Netherlands, Norway, Sweden, Switzerland, and the United Kingdom during 1959. However, it supplied 27 per cent of the total fresh grapefruit imported into these countries during the same period.[17]

Each citrus producing state in the United States has a different stake in the European citrus export market. California and Arizona are concerned primarily with fresh fruit, Florida with processed products, and Texas with both fresh and processed fruit. Florida's small share in the European fresh orange market is due to the Florida orange season, which occurs at about the same time as that in the Mediterranean countries and to the fact that Florida oranges do not keep as well as California oranges in long distance shipping. In addition, exports of Florida

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[17] J. Henry Burke, "United States Winter Citrus: Outlook for Competition in Europe," op. cit., p. 7.

grapefruit are made in the winter season from December through April and have to meet competition from the Mediterranean areas.[18]

Western Europe receives its winter oranges November through May, principally from Spain, Italy, Israel, French Morocco, and Algeria. Its summer oranges are principally from the United States, Brazil, and South Africa. Of the United States oranges, California supplies nearly all, most of them summer fruit in small sizes. Florida alone supplies nearly all the single strength juices and frozen concentrated orange juice coming from the United States.[19]

Therefore, in addition to quality problems, shipping distance, trade restrictions, and unfortunate crop maturity seasons, Florida citrus growers face severe competition in the West European market which makes this market a less desirable venture for Florida citrus producers despite the tremendous citrus consumption potential present.

Florida Citrus Commission European Promotional Efforts

The efforts of the Commission to advertise Florida citrus products in Europe are of recent origin. Florida

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[18]J. Henry Burke, "Citrus Markets and Marketing in Western Europe," op. cit., pp. 4f.

[19]Ibid., pp. 2ff.

oranges were advertised in Europe for the first time during the 1953-54 season. In that season, the Commission's European advertising budget was $10,000, and the money was spent in newspapers in Belgium and Holland and in trade magazines in West Germany, Belgium, and Holland.[20]

Since 1954, the Commission has been actively engaged in promotional efforts in Western Europe. Expenditures have been small as shown in Table 30. Advertising efforts have been largely restricted to newspapers and trade papers and have been carried on under the leadership of the consumer advertising agency. J. Walter Thompson Company and Benton and Bowles, Inc., have both handled the export phase of Commission advertising. J. Walter Thompson Company resigned the export consumer advertising account during the 1959-60 season, and this account was assigned to Lambe and Robinson--Benton and Bowles, Ltd., of London, and its affiliates. At the present time, this organization handles all trade and consumer advertising in Great Britain and continental Europe.[21]

Plans for European advertising are discussed among the various European agency representatives. Each agency prepares a plan for the use of funds to be spent in its

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[20]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1954 (Lakeland, Fla.: Florida Citrus Commission, 1954), p. 7.

[21]Annual Report of the Florida Citrus Commission for the Fiscal Year Ended June 30, 1960 (Lakeland, Fla.: Florida Citrus Commission, 1960), p. 29.

TABLE 30

PROMOTIONAL FUNDS EXPENDED BY THE FLORIDA CITRUS COMMISSION IN EUROPE BY SEASON, 1954-55 THROUGH 1959-60

Season	Promotional Funds Expended
1954-55	$ 6,157
1955-56	40,593
1956-57	105,348
1957-58	115,354
1958-59	165,103
1959-60	161,896

Source: Records of the Florida Citrus Commission.

country and submits it for approval to the Benton and Bowles office in London. This office coordinates the activities of its various affiliates.[22]

The Florida Citrus Commission maintains merchandising representatives in the European market. These representatives do essentially the same work as domestic representatives. They contact the trade, give in-store demonstrations, attend trade luncheons and fairs, show films to interested groups, and distribute point-of-sale material. From the 1956-57 season through the 1959-60 season, two European merchandising representatives covered the European market. During this period, these representatives gave 1,374 in-store demonstrations and distributed over 1,500,000 pieces of point-of-sale material.[23] Other detailed quantitative information is not available, and no accurate appraisal of the efforts of these European merchandising representatives is possible at this time. However, the present Director of Advertising and Merchandising of the Commission, Frank D. Arn, is in favor of merchandising Florida citrus products in Europe wherever possible as he states "Some of the best advertising that can be done in European markets is point-of-sale display

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[22]Minutes of Meeting of Advertising and Merchandising Committee, February 10, 1960, Florida Citrus Commission, Lakeland, Fla., p. 2.

[23]Records of the Florida Citrus Commission.

materials, which Europeans call propaganda, to be shipped with the fruit when it is transshipped to small markets."[24]

Progress in Developing the Export Market for Florida Citrus Products

Although the specific results obtained from Commission advertising and merchandising efforts in Europe cannot be pinpointed because of the many inseparable variables operating such as trade restrictions, poor quality of fruit exported, and competition, it is interesting to study total Florida citrus exports for seasons in which they are available and to examine the percentage of these exports going to Canada for the same seasons. Records of Florida exports to Europe have not been kept so no analysis is possible in this area.

By referring to Table 31, it can be seen that Florida fresh orange exports grew from the 1953-54 season through the 1955-56 season. Since the latter season, these exports have declined, and in 1959-60, Florida fresh orange exports were 33.2 per cent of the 1955-56 season high.

Florida exports of fresh grapefruit have fared better, being in excess of a million boxes each season since 1953-54. They reached a peak of 1,512,199 boxes during

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[24]Minutes of Meeting of Advertising and Merchandising Committee, October 10, 1956, Florida Citrus Commission, Lakeland, Fla., p. 10.

TABLE 31

FLORIDA CITRUS EXPORTS BY SEASON, 1953-54 THROUGH 1959-60

Season	Fresh Citrus in Equivalent Boxes		Processed Single Strength Juice in 24 #2 cases			Grapefruit Sections (24 #2 cases)	Hot Pack Orange Concentrate (gallons)
	Oranges	Grapefruit	Orange	Grapefruit	Blended		
1953-54	1,578,958	1,256,473	2,026,558	1,530,063	46,669	249,882	416,332
1954-55	1,611,146	1,095,618	2,093,607	1,526,798	1,021,261	329,347	454,004
1955-56	2,003,585	1,408,429	2,701,701	1,936,170	1,127,938	510,818	715,034
1956-57	1,992,343	1,512,199	3,234,358	1,864,433	1,141,237	190,939	888,563
1957-58	1,120,435	1,120,157	3,058,369	1,489,325	994,529	333,068	731,445
1958-59	689,230	1,251,826	2,266,999	1,582,370	874,829	318,159	542,811
1959-60	665,517	1,293,767	2,845,709	1,390,155	956,667	413,228	701,567

Source: Annual Statistical Report 1960-61 Season (Lakeland, Fla.: Florida Citrus Mutual, 1961), pp. 104-105.

the 1956-57 season and since falling off 392,042 boxes during the 1957-58 season, have shown improvement during each of the following two seasons.

Processed single strength canned juices have shown diverse export patterns since the 1953-54 season. Single strength orange juice exports increased each season up to a peak of 3,234,358 cases in the 1956-57 season. They fell off to 2,266,999 cases in the 1958-59 season but recovered to 2,845,709 in the 1959-60 season.

Single strength grapefruit juice exports have averaged 1,617,046 cases during the seven season period. In no one season have they dropped more than 227,000 cases below this average. Shipments reached a peak of 1,936,170 cases in the 1955-56 season but declined to a 1,390,155 low in 1959-60.

Florida increased its exports of blended orange and grapefruit juice in single strength form from the 1954-55 season through the 1956-57 season. Since the latter season's high of 1,141,237 cases exported, exports have dropped off to a three season average of 942,008 cases.

Exports of grapefruit sections from Florida reached their peak of 510,818 cases in the 1955-56 season. Since then, exports of this item have been erratic with a low of 190,939 cases exported in 1956-57 and a high of 413,228 in 1959-60.

Hot pack orange concentrate is primarily used as a base for soft drinks. Florida's exports of this item grew

to a high of 888,563 gallons in 1956-57. In the following three seasons, exports averaged 658,607 gallons per season.

From Table 31, it can be seen that Florida exports of fresh oranges have shown a marked decline from the 1957-58 season through the 1959-60 season. Fresh grapefruit exports have been increasing slightly, and exports of the processed products show no discernible tendency for improvement.

However, these total Florida export figures mask the true nature of Florida's export market. By referring to Table 32, it can be seen that Canada is Florida's best export customer for many citrus products. In all seven seasons, Canada has taken more than 75 per cent of Florida's fresh grapefruit exports, more than 70 per cent of its exports of single strength orange juice, more than 55 per cent of its exports of single strength grapefruit juice, and more than 89 per cent of its exports of single strength blended juice. In addition, during the 1958-59 and 1959-60 seasons, Canada took 81.2 per cent and 73.9 per cent respectively of Florida's fresh orange exports. Canada's imports of Florida's grapefruit sections has declined through the years to a low of 16.2 per cent of total Florida exports of this item in the 1959-60 season, and its imports of hot pack orange juice have been erratic by season, being 22.6 per cent of Florida exports in this category during the 1959-60 season.

TABLE 32

PERCENTAGE OF TOTAL FLORIDA CITRUS EXPORTS GOING TO CANADA BY SEASON, 1953-54 THROUGH 1959-60

Season	Fresh Citrus in Equivalent Boxes		Processed Single Strength Juices in 24 #2 Cases			Grapefruit Sections (24 #2 cases)	Hot Pack Orange Concentrate (gallons)
	Oranges	Grapefruit	Oranges	Grapefruit	Blended		
1953-54	42.4%	87.1%	74.3%	61.9%	---	33.6%	24.7%
1954-55	38.0	87.7	70.6	67.5	94.0	28.1	29.8
1955-56	34.6	79.9	71.7	56.6	89.3	17.4	16.3
1956-57	28.3	80.2	71.7	59.0	92.6	39.9	11.4
1957-58	29.2	76.7	77.6	66.1	91.1	19.9	19.3
1958-59	81.2	75.8	82.2	57.6	90.6	17.1	28.5
1959-60	73.9	86.9	79.5	69.9	92.8	16.2	22.6

Source: Annual Statistical Report 1960-61 Season (Lakeland, Fla.: Florida Citrus Mutual, 1961), pp. 104-105.

Nevertheless, Canada is Florida's best export market for citrus products as a whole. Lower transportation costs give United States producers a pronounced advantage over other citrus producing regions of the world.

It is interesting to note that exports of Florida citrus fruits have been subsidized in various crop seasons. These export subsidies have been paid under Section 32 of Public Law Number 320, which was passed by the 74th Congress.

Under that legislation, Florida growers, handlers, and processors received citrus export subsidies in 1948-49 and 1950-51 through 1955-56 crop seasons. In the 1954-55 season, export subsidies were $0.75 per standard packed box of oranges and $0.60 per standard packed box of grapefruit.[25]

At the present time, the Florida Citrus Commission is planning to do more to cultivate the European market. In 1960, industry and Commission representatives made a trip to the European markets and as a result of this trip made the following recommendations to the Florida Citrus Commission: (1) Continue trade meetings and receptions abroad to maintain contact with the trade and stimulate interest in buying from Florida; (2) Add another man in Europe so that more calls and more contacts will be made more often; (3) Conduct more market and consumer research in Europe to determine which of Florida's citrus products has the

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[25]Records of the Florida Citrus Mutual.

best chance and where; (4) Place more emphasis on the medical and nutritional aspects of Florida fruits and products and direct this information toward professional groups; (5) Establish an advisory committee of fresh and processed importers to consult with Commission advertising agencies in the various countries on the timing and emphasis to get best results; (6) Encourage shippers and processors to identify our products as coming from Florida; (7) Consolidate the active support of the European import trade to bring pressure on their own governments to remove import controls; (8) Impress on the administration in Washington our desire for fresh and vigorous representation to protect Florida's interests in London, the Common Market, Outer Seven meetings, and the G.A.T.T. conference in Geneva; and (9) Encourage European countries to allow the importation of color added oranges.[26]

Not enough time has elapsed since these recommendations were made to determine their effect. However, it is interesting to note that the Florida Citrus Commission is becoming increasingly concerned with the European market. Perhaps the next decade will show considerable progress by Florida citrus products in this area.

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[26]Minutes of Meeting of Advertising and Merchandising Committee, December 1, 1960, Florida Citrus Commission, Lakeland, Fla., p. 12.

CHAPTER X

QUANTITATIVE INDICATIONS OF COMMISSION PROMOTIONAL EFFECTIVENESS

The value of the promotional efforts of the Florida Citrus Commission has often been questioned by persons both within and without the industry. These persons wonder if the millions of dollars spent by the Commission to promote oranges, grapefruit, and tangerines have materially aided the Florida citrus industry.

No definite proof has yet been advanced to set this issue at rest. The Commission has not used specific objectives to measure the results of its promotional activities each crop season, nor has it conducted long range studies intended to evaluate its promotional performance through the years.

The measurement of the effects of promotional activities over a period of years is one of the most difficult problems in marketing. Promotional activity is only one factor among many which influence the supply and demand schedules of a particular product. In regard to citrus fruits, many of the factors that affect supply and demand have not been identified. Others are known but are not subject to quantification. Still others could be quantified, but sufficient statistical data has not been collected.

This analysis will not attempt to approach an evaluation of Commission promotional efforts through supply and demand, nor will it attempt to handle the many variables which affect these two economic schedules. Such an analysis is a long term project requiring sufficient funds and is best left to organizations like the Florida Citrus Commission, Florida Citrus Mutual, or United States Department of Agriculture. One of these groups may be able to finance such a long term study. At the present time, a similar study is beyond the means of the author.

The present study will utilize time series and rank correlation to determine if any apparent relationships exist directly between Florida Citrus Commission promotional expenditures on the one hand and average per box prices, crop values, per capita consumptions, and market shares of Florida oranges, grapefruit, and tangerines on the other. This is done with the full knowledge that factors other than the Commission's promotional expenditures may either alone or in combination exert more influence on the time series presented than the Commission's promotional expenditures. However, since statistical data on many of these factors are not available and a complete study of such factors could properly be the subject of an entire dissertation, this analysis will assume factors other than the Commission's promotional expenditures either to be constant in their effects on the time series presented or to be nonexistent.

With this assumption in mind, some of the variables which may affect the time series presented will be identified. Then, the following topics will be taken up in order: (1) Relationship between Commission promotional expenditures and the adjusted average season on-tree prices of Florida citrus fruits; (2) Relationship between Commission promotional expenditures and the adjusted on-tree crop value of sales of Florida citrus fruits; (3) Relationship between Commission promotional expenditures and United States per capita consumption of Florida citrus fruits; and (4) Relationship between Commission promotional expenditures and the United States market share of Florida oranges and grapefruit.

Variables Which Complicate the Study of Commission Promotional Efforts

Many variables enter into the study of Commission promotional efforts. These variables operate through supply and demand schedules to influence on-tree prices, on-tree crop values, per capita consumptions, and United States market shares of Florida citrus fruits.

On the supply side, some of these variables are agricultural research and development, changing of citrus bearing land to industrial or residential uses, weather, insect pests, and future price expectations of citrus growers. On the demand side, prices of non-citrus fruits,

promotional efforts of competitive fruit organizations, new product developments in citrus and non-citrus fruits, and consumer tastes and preferences are of importance.

Agricultural research and development by improving orchard techniques, increasing per acre yields, and controlling citrus fruit pests and diseases contributes to an increasing supply of citrus products. Freezes, hurricanes, or droughts may severely limit the quantity of citrus fruit marketed, and these conditions may curtail citrus production in one state and not affect production in other states. Citrus bearing land may be shifted to industrial or residential uses in California but not in Arizona, Florida, or Texas. Finally, growers in the various states may have different future price expectations, and citrus acreage may be increased or decreased in one state and not in others. All of these factors by influencing the supply schedule for citrus fruits will affect prices, crop values, per capita consumptions, and United States market shares of Florida citrus fruits.

Prices of non-citrus fruits may be lower or higher than citrus fruits and change consumer fruit purchase patterns. Competitive fruit organizations, such as Sunkist Growers, Inc., promote their products, and their promotional programs may nullify the effects of Commission programs. New product developments, such as frozen citrus concentrate, may find ready consumer acceptance and benefit one citrus producing region more than others. Finally,

consumer tastes and preferences are subject to changes based on social and environmental developments. All of these factors influence the demand for Florida citrus fruits and thereby affect any attempt to measure the results of Commission promotional programs.

Relationship Between Commission Promotional Expenditures and Adjusted Average On-Tree Per Box Prices of Florida Citrus Fruits

Average on-tree per box prices are the average prices received by Florida growers for their citrus fruits each crop season. They are packing house door prices minus picking and hauling costs and are an indication of how well growers fare during the various crop seasons. By relating Commission promotional expenditures to the average on-tree per box prices received by Florida growers for oranges, grapefruit, and tangerines, it is possible to determine if Commission promotional expenditures have any direct relationships to these prices. In order to eliminate inflationary or deflationary effects, the on-tree per box prices shown in Table 33 have been adjusted by using the Bureau of Labor Statistics Index Price of Wholesale Commodities in keeping with similar studies made by agricultural organizations.

Oranges

A scatter diagram made to determine if any relationship existed between Commission orange promotional expenditures by season as shown in Table 34 and the adjusted

TABLE 33

ADJUSTED AVERAGE SEASON ON-TREE PER BOX PRICES OF FLORIDA CITRUS FRUITS, 1935-36 THROUGH 1959-60[a]

Season	Oranges	Grapefruit	Tangerines
1935-36	$1.19	$0.77	$0.85
1936-37	1.33	.48	.28
1937-38	.68	.60	.72
1938-39	.63	.23	.35
1939-40	.53	.43	.83
1940-41	.73	.30	.59
1941-42	.90	.51	1.09
1942-43	1.36	.72	.92
1943-44	1.40	1.01	1.47
1944-45	1.68	1.29	1.60
1945-46	1.58	.84	1.58
1946-47	.50	.33	.67
1947-48	.31	.13	.39
1948-49	.72	.35	.62
1949-50	1.07	.89	.72
1950-51	.73	.42	.64
1951-52	.35	.26	.71
1952-53	.59	.34	.82
1953-54	.58	.23	.97
1954-55	.63	.30	.82
1955-56	.82	.26	1.00
1956-57	.61	.39	1.00
1957-58	.92	.45	1.22
1958-59	1.23	.45	1.04
1959-60	.84	.45	1.39

Sources: Computed from: Annual Statistical Report 1960-61 Season (Lakeland, Fla.: Florida Citrus Mutual, 1961), p. 82. Florida Citrus Fruit (Orlando, Fla.: Florida Crop and Livestock Reporting Service, 1960), p. 35. Zach Savage, "Per-Acre Yield and On-Tree Price of Florida Citrus" (Gainesville, Fla.: Agricultural Experiment Station, University of Florida, March 13, 1957), p. 1.

[a]Average on-tree prices were adjusted by using the Bureau of Labor Statistics Index Price of Wholesale Commodities in which 1935-39 equals 100.

TABLE 34

FLORIDA CITRUS COMMISSION PROMOTIONAL EXPENDITURES ON ORANGES, GRAPEFRUIT, AND TANGERINES, 1935-36 THROUGH 1959-60[a] (Thousands of dollars)

Season	Oranges[b]	Grapefruit	Tangerines
1935-36	$ 135	$ 283	$ 57
1936-37	190	412	136
1937-38	202	455	110
1938-39	249	470	120
1939-40	222	481	125
1940-41	285	634	89
1941-42	238	499	64
1942-43	233	504	144
1943-44	339	651	104
1944-45	389	581	229
1945-46	800	1,116	126
1946-47	959	819	196
1947-48	825	617	133
1948-49	997	716	175
1949-50	979	670	164
1950-51	981	654	198
1951-52	1,995	1,201	196
1952-53	1,806	1,155	196
1953-54	1,965	1,509	184
1954-55	2,611	2,160	173
1955-56	2,139	1,831	175
1956-57	2,508	1,832	200
1957-58	2,850	1,190	140
1958-59	3,336	1,773	107
1959-60	3,843	1,603	122

Source: Computed from: Statements of Receipts and Disbursements (Lakeland, Fla.: Florida Citrus Commission, 1935-1960).

[a]Promotional expenditures consist of expenditures on advertising, merchandising, publicity, and display materials.

[b]No records of expenditures on processed orange products were available for the 1942-43, 1943-44, and 1944-45 seasons. The promotional expenditures for these seasons are only for fresh oranges.

average season on-tree per box prices of oranges showed no significant relationship. The coefficient of rank correlation between these two series was minus 0.211. Lagging the series one, two, and three years did not noticeably improve this correlation.

Grapefruit

No meaningful relationship between Commission grapefruit promotional expenditures and the adjusted average season on-tree per box price of grapefruit could be established through the use of a scatter diagram. The coefficient of rank correlation between these two series was minus 0.355. Lagging the series one, two, and three years did not materially improve the correlation.

Tangerines

The relationship between Commission tangerine promotional expenditures and the adjusted average season on-tree per box prices of tangerines was practically non-existent. The coefficient of rank correlation between these two series was minus 0.057. Lagging the series one, two, and three years did not significantly improve this correlation.

Conclusions

Commission promotional expenditures bore little relationship to the adjusted average season on-tree per box prices of Florida oranges, grapefruit, and tangerines. Other factors such as the boxes of Florida citrus fruit

marketed each season, the prices of non-citrus fruits, and promotional activities of competing fruit organizations were more important in explaining the on-tree prices of Florida citrus fruits than the promotional expenditures of the Commission.

Relationship Between Commission Promotional Expenditures and the Adjusted On-Tree Crop Value of Sales of Florida Citrus Fruits

Although there is no discernible relationship between Commission promotional expenditures and adjusted average on-tree per box prices of Florida citrus fruit, the adjusted on-tree price does not take the number of boxes sold into account. It is possible that in seasons where the adjusted on-tree per box price is low, the adjusted on-tree crop value of sales is high. Therefore, promotional expenditures of the Commission should be analyzed in the light of the adjusted on-tree crop value of sales of Florida citrus fruits.

The on-tree crop value of sales is the total dollar value of citrus fruit sold excluding picking and hauling costs. It is secured by multiplying the number of boxes sold by the on-tree price. Inflationary and deflationary effects have been removed from the on-tree crop values shown in Table 35 by using the Bureau of Labor Statistics Index Price of Wholesale Commodities.

TABLE 35

ADJUSTED ON-TREE CROP VALUE OF SALES OF FLORIDA CITRUS FRUITS, 1935-36 THROUGH 1959-60[a]
(Thousands of dollars)

Season	Oranges	Grapefruit	Tangerines
1935-36	$ 18,706	$ 8,784	$1,752
1936-37	25,113	8,636	826
1937-38	16,075	8,704	1,139
1938-39	18,637	4,931	1,243
1939-40	13,436	6,798	1,972
1940-41	20,717	7,350	1,578
1941-42	24,321	9,740	2,260
1942-43	50,308	19,574	3,822
1943-44	64,260	31,191	5,233
1944-45	71,450	28,632	6,088
1945-46	73,210	26,762	6,564
1946-47	26,225	8,672	2,583
1947-48	17,980	3,791	1,308
1948-49	41,688	10,521	2,700
1949-50	62,167	21,413	3,564
1950-51	43,801	13,881	2,899
1951-52	27,353	8,541	2,861
1952-53	42,333	10,996	3,961
1953-54	52,635	9,324	4,297
1954-55	55,346	10,392	3,961
1955-56	74,169	9,916	4,430
1956-57	56,334	14,524	4,530
1957-58	75,394	13,923	2,538
1958-59	104,981	15,768	4,399
1959-60	76,301	13,653	3,656

Sources: Computed from: Annual Statistical Report 1960-61 Season (Lakeland, Fla.: Florida Citrus Mutual, 1961), p. 82. Florida Citrus Fruit (Orlando, Fla.: Florida Crop and Livestock Reporting Service, 1960), pp. 34ff. Zach Savage, "Per-Acre Yield and On-Tree Price of Florida Citrus" (Gainesville, Fla.: Agricultural Experiment Station, University of Florida, March 13, 1957), p. 1.

[a]On-tree crop value of sales figures were adjusted by using the Bureau of Labor Statistics Index Price of Wholesale Commodities in which 1935-39 equals 100.

Oranges

A scatter diagram made to determine any relationship between Commission orange promotional expenditures by season and the adjusted on-tree crop value of orange sales indicated a positive relationship. The coefficient of rank correlation between these two series was plus 0.677. Lagging the series one, two, and three years did not significantly improve the relationship.

By applying the coefficient of determination, it can be said that 45.8 per cent of the variations in the adjusted on-tree crop value of sales of Florida oranges were explainable by Commission orange promotional expenditures. The other 54.2 per cent were associated with other factors.

Grapefruit

A scatter diagram of Commission grapefruit promotional expenditures and the adjusted on-tree crop value of sales of grapefruit did not show a high degree of relationship. The coefficient of rank correlation was plus 0.337. Lagging the series one, two, and three years did not improve the relationship appreciably.

Application of the coefficient of determination showed that 11.3 per cent of the variations in the adjusted on-tree crop value of sales of Florida grapefruit were paralleled by variations in Commission grapefruit promotional expenditures.

Tangerines

The relationship of Commission tangerine promotional expenditures to the adjusted on-tree crop value of sales of tangerines was slight when viewed in a scatter diagram. The coefficient of rank correlation was plus 0.413, and one, two, and three year lags did not improve the correlation.

By using the coefficient of determination, it was found that 17.0 per cent of the variations in the adjusted on-tree crop value of sales of tangerines were explainable by Commission tangerine promotional expenditures.

Conclusions

There was a much higher degree of correlation between Commission orange promotional expenditures and the adjusted on-tree crop value of sales of oranges than was true when promotional expenditures were related to the adjusted on-tree crop value of sales of grapefruit and tangerines.

This may have been due to the fact that oranges were more readily accepted by consumers than grapefruit and tangerines. The development of frozen citrus concentrate had a much greater effect on Florida's orange crop than it did on grapefruit and tangerine crops. As shown in Chapter VI, more than 75 per cent of Florida's orange crop was processed from 1957-58 through 1959-60 as compared to less than 55 per cent for grapefruit and 35 per cent for tangerines.

Other factors such as the number of boxes of each citrus fruit marketed and the higher per box prices received for Florida oranges undoubtedly had their effects. Nevertheless, Commission orange promotional expenditures bore a much closer relationship to the adjusted on-tree crop value of sales of Florida oranges than Commission grapefruit or tangerine promotional expenditures did to the adjusted on-tree crop value of sales of those citrus fruits.

Relationship Between Commission Promotional Expenditures and United States Per Capita Consumption of Florida Citrus Fruits

A pertinent measure of Commission promotional success or failure is the extent to which per capita consumption of oranges, grapefruit, and tangerines has been increasing or decreasing. The Commission has operated under the long range promotional objective of increasing per capita consumption since its inception in the 1935-36 crop season. The extent to which per capita consumption of Florida citrus fruits has increased since the Commission has been operating and the relationship of Commission promotional expenditures to per capita consumption of these fruits are analyzed below.

Oranges

From 1924-25 through 1934-35, before the Commission was in existence, the United States per capita consumption of Florida oranges ranged from .070 to .134 of a standard-

packed box as shown in Table 36. Since the Commission's formation, per capita consumption has ranged from .121 to .562. From 1951-52 through 1959-60, United States per capita consumption of Florida oranges never dropped below .435. Therefore, since the Commission's inception, United States per capita consumption of Florida oranges has shown a noticeable increase. The extent to which Commission promotional expenditures can account for this increase is another matter.

A scatter diagram of Commission orange promotional expenditures and United States per capita consumption of Florida oranges shows a high degree of relationship. The coefficient of rank correlation is plus 0.936. Lagging the series one, two, and three years does not improve this correlation.

By applying the coefficient of determination, one can say that 87.6 per cent of the variations in United States per capita consumption of Florida oranges are explained by Commission promotional expenditures. The other 12.4 per cent are related to other factors.

Grapefruit

United States per capita consumption of Florida grapefruit ranged from .061 to .126 of a standard packed box before the Commission began expending promotional funds. Since these funds have been expended, United States per

TABLE 36

UNITED STATES PER CAPITA CONSUMPTION OF FLORIDA CITRUS FRUITS, 1924-25 THROUGH 1959-60[a] (Portion of a Standard Packed Box)[b]

Season	Oranges	Grapefruit	Tangerines
1924-25	.088	.077	.007
1925-26	.079	.064	.005
1926-27	.083	.071	.007
1927-28	.070	.061	.006
1928-29	.121	.092	.012
1929-30	.071	.066	.006
1930-31	.134	.126	.019
1931-32	.096	.085	.015
1932-33	.114	.091	.014
1933-34	.124	.085	.015
1934-35	.121	.118	.015
1935-36	.122	.089	.016
1936-37	.146	.139	.022
1937-38	.182	.111	.017
1938-39	.226	.163	.025
1939-40	.192	.119	.018
1940-41	.213	.184	.020
1941-42	.201	.142	.015
1942-43	.275	.202	.030
1943-44	.345	.232	.026
1944-45	.321	.167	.028
1945-46	.353	.227	.029
1946-47	.366	.183	.026
1947-48	.397	.199	.022
1948-49	.389	.202	.029
1949-50	.384	.159	.032
1950-51	.435	.215	.029
1951-52	.501	.210	.025
1952-53	.453	.204	.030
1953-54	.562	.251	.027
1954-55	.534	.210	.029
1955-56	.540	.228	.028
1956-57	.542	.218	.026

TABLE 36 (continued)

Season	Oranges	Grapefruit	Tangerines
1957-58	.473	.178	.012
1958-59	.483	.198	.023
1959-60	.504	.169	.014

Sources: Computed from: Florida Citrus Fruit (Orlando, Fla.: Florida Crop and Livestock Reporting Service, 1960), pp. 34ff. Annual Agricultural Statistical Summary 1960-61 (Jacksonville, Fla.: Florida State Marketing Bureau, 1961), pp. 28ff. U.S. Bureau of the Census, Statistical Abstract of the United States: 1961 (Washington, D.C.: U.S. Government Printing Office, 1961), p. 5.

[a]Per capita consumption was computed by dividing the number of standard packed boxes sold each season by United States domestic population.

[b]A standard packed box consists of one and three-fifths bushels.

capita consumption has ranged from .089 to .251. Evidently, United States consumers have increased their consumption of Florida grapefruit since the Commission has been in operation.

The extent to which Commission grapefruit promotional expenditures were related to United States per capita consumption of Florida grapefruit was determined by rank correlation. The coefficient of rank correlation between these two series was plus 0.684. Lagging the series one, two, and three years had no significant effect on the relationship.

The coefficient of determination showed that 46.8 per cent of the variations in United States per capita consumption of Florida grapefruit were explainable by Commission grapefruit promotional expenditures. The other 53.2 per cent were associated with other factors.

Tangerines

United States per capita consumption of Florida tangerines has consistently been lower than that of Florida oranges or grapefruit as shown in Table 36. Before the Commission began operations, per capita consumption ranged from .005 to .019 of a standard packed box. Since the Commission has been promoting Florida tangerines, per capita consumption has ranged from .012 to .032. In nineteen of the twenty-five seasons in which the Commission expended tangerine promotional funds, United States per capita consumption of Florida tangerines exceeded .020 of a standard packed box.

In order to determine the relationship between Commission tangerine promotional expenditures and United States per capita consumption of Florida tangerines, the coefficient of rank correlation between the two series was computed. This coefficient was plus 0.606, and lagging the series one, two, and three years did not noticeably improve the correlation.

Application of the coefficient of determination showed that 36.7 per cent of the variations in the United States per capita consumption of Florida tangerines were explained by Commission tangerine promotional expenditures. The remaining 63.3 per cent were associated with other factors.

Conclusions

United States per capita consumptions of Florida oranges, grapefruit, and tangerines have been at higher levels since the Commission began promoting these fruits in the 1935-36 season. Commission orange promotional expenditures have shown a much closer relationship to United States per capita consumption of Florida oranges than Commission grapefruit and tangerine promotional expenditures have shown to United States per capita consumption of Florida grapefruit and tangerines.

The popularity of fresh oranges and frozen orange concentrate among consumers may be one of the major factors responsible for this difference. Consumers have accepted frozen orange concentrate with such enthusiasm

that it was estimated that frozen orange concentrate was responsible for the utilization of nearly 65 per cent of the Florida orange crop in 1961. Frozen grapefruit concentrate has never attained the popularity of frozen orange concentrate, and tangerines are still marketed mainly in fresh form.

Relationship Between Commission Promotional Expenditures and United States Market Share of Florida Oranges and Grapefruit

The United States market share enjoyed by Florida oranges and grapefruit before and after the Commission was established provides a valuable indication of the Commission's promotional effectiveness. Since Florida has been the only United States producer of commercial tangerines, tangerines do not enter into the discussion. By relating United States market share of Florida oranges and grapefruit to Commission promotional expenditures on these fruits by season, the extent to which Commission promotional expenditures can explain variations in these market shares can be determined.

Oranges

The United States market share of Florida oranges ranged from 25.3 to 35.3 per cent in the eleven season period immediately prior to the Commission's formation as shown in Table 37. Since the Commission has been promoting Florida oranges, this percentage has ranged from 31.8 to

TABLE 37

UNITED STATES MARKET SHARE OF FLORIDA ORANGES AND GRAPEFRUIT, 1924-25 THROUGH 1959-60[a]
(Percentage of the United States market)

Season	Oranges	Grapefruit
1924-25	35.3%	91.2%
1925-26	27.4	88.3
1926-27	25.6	87.5
1927-28	26.6	83.4
1928-29	27.1	84.8
1929-30	28.3	73.4
1930-31	31.5	84.0
1931-32	25.3	70.0
1932-33	28.8	76.7
1933-34	35.5	73.8
1934-35	25.4	71.3
1935-36	31.8	62.2
1936-37	37.3	58.8
1937-38	33.3	46.6
1938-39	40.9	53.8
1939-40	35.1	45.3
1940-41	34.8	57.1
1941-42	32.8	47.4
1942-43	43.7	53.8
1943-44	44.9	55.0
1944-45	39.5	42.5
1945-46	49.7	50.2
1946-47	47.2	47.3
1947-48	53.2	53.3
1948-49	58.5	66.0
1949-50	57.2	66.3
1950-51	58.0	71.3
1951-52	66.9	88.0
1952-53	60.3	84.7
1953-54	72.9	86.5
1954-55	68.0	82.6

TABLE 37 (continued)

Season	Oranges	Grapefruit
1955-56	69.2%	84.5%
1956-57	70.8	83.6
1957-58	76.0	78.3
1958-59	66.7	80.5
1959-60	72.3	73.3

Sources: Computed from: Annual Agricultural Statistical Summary 1960-61 Season (Jacksonville, Fla.: Florida State Marketing Bureau, 1961), pp. 28ff. Florida Citrus Fruit (Orlando, Fla.: Florida Crop and Livestock Reporting Service, 1960), pp. 34ff. United States Department of Agriculture, Agricultural Statistics (Washington, D.C.: U.S. Government Printing Office, 1952), p. 208.

[a]United States market share was computed by dividing the total number of boxes of Florida oranges or grapefruit sold each season by the total number of boxes of those fruits sold in the United States by season.

76.0. The United States market share of Florida oranges has never dropped below 57.2 per cent since the 1948-49 season when the Commission first began to promote frozen orange concentrate heavily.

The extent to which the United States market share of Florida oranges was related to Commission orange promotional expenditures was determined by using rank correlation. The coefficient of rank correlation between these two series was plus 0.936. Application of the coefficient of determination showed that 87.6 per cent of the variations in market share of Florida oranges were explained by Commission orange promotional expenditures. The other 12.4 per cent were related to other factors.

Grapefruit

In the eleven season period immediately prior to the Commission's formation, the United States market share of Florida grapefruit ranged from 70.0 to 91.2 per cent. With the Commission making grapefruit promotional expenditures during the following twenty-five seasons, Florida's share of the United States grapefruit market ranged from 42.5 to 88.0 per cent.

The coefficient of rank correlation between Florida's share of the United States grapefruit market and Commission promotional expenditures was plus 0.723. By applying the coefficient of determination, it was apparent that

52.3 per cent of the variations in the United States market share of Florida grapefruit were explained by Commission grapefruit promotional expenditures. The other 47.7 per cent were associated with other factors.

Conclusions

Commission promotional expenditures explain a much larger percentage of the variations in Florida's share of the United States orange market than is true of the variations in Florida's share of the United States grapefruit market.

Florida's share of the United States orange market has increased considerably since the 1948-49 season when frozen orange concentrate was first promoted heavily. Since the majority of Florida's orange crop yields more juice and is more adaptable to processing than the navel oranges raised in California and Arizona, the ready consumer acceptance of frozen orange concentrate benefitted Florida growers far more than growers in the other two states.

Florida's share of the United States grapefruit market is affected by the amount of grapefruit marketed by Texas, Florida's principal competitor. Severe freezes have practically ruined the Texas grapefruit industry, and this is reflected in Florida's increased market share from 1951-52 through 1959-60. Frozen grapefruit concentrate has never

attained the popularity of frozen orange concentrate and is much less of a factor in Florida grapefruit marketing than in Florida orange marketing.

Summary

Any attempt to measure Commission promotional efforts is severely limited by the presence of many variables besides Commission promotional expenditures which affect the time series used. Because of the lack of sufficient funds, the analysis restricted itself to identifying the relationships between Commission promotional expenditures and the on-tree prices, on-tree crop values, United States per capita consumptions, and United States market shares of Florida citrus fruits. All other factors were assumed to have no effect on the time series analyzed.

From this study four conclusions were drawn: (1) Commission promotional expenditures cannot explain a significant part of the variations in the on-tree prices of Florida oranges, grapefruit, and tangerines when these prices are adjusted for inflationary and deflationary trends; (2) Commission promotional expenditures are associated with a greater portion of the variations in the on-tree crop value of sales of Florida oranges than for Florida grapefruit and tangerines when on-tree crop values are adjusted for inflationary and deflationary effects; (3) Commission promotional expenditures explain a much greater part of the variations in United States per capita

consumption of Florida oranges than they do of the variations in United States per capita of Florida grapefruit and tangerines; and (4) Commission promotional expenditures are related to a significant part of the variations in the United States market shares of Florida oranges and grapefruit.

The high, positive rank correlations found between Commission orange promotional expenditures and United States per capita consumption of Florida oranges and Florida's share of the United States orange market may be due, in part, to the ready acceptance of oranges and frozen orange concentrate by consumers. Florida grapefruit and tangerines have not enjoyed the same degree of consumer acceptance.

Further studies are needed to identify and isolate the many factors influencing the supply of and demand for Florida citrus fruits. These studies would be best conducted by organizations such as the Florida Citrus Commission, Florida Citrus Mutual, or United States Department of Agriculture because considerable amounts of money and time will need to be invested.

CHAPTER XI

SUMMARY AND CONCLUSIONS

Since its inception, the Florida Citrus Commission has attempted to improve conditions in Florida's citrus industry. Through its regulatory powers and promotional programs, the Commission has tried to bring about more orderly marketing of Florida citrus products in an effort to increase per capita consumption of oranges, grapefruit, and tangerines and better conditions for growers, handlers, and processors of these fruits.

Conclusions regarding the effectiveness of the Commission in achieving these objectives are presented in the most effective manner by grouping them into four categories. These categories are: (1) General improvements in the Florida citrus industry brought about by the Florida Citrus Commission; (2) Problems of the Florida citrus industry that remain to be solved; (3) Strengths and weaknesses of Florida Citrus Commission promotional programs, and (4) Effectiveness of Florida Citrus Commission promotional efforts.

General Improvements in the Florida Citrus Industry Brought About By the Florida Citrus Commission

Through its regulatory powers, the Florida Citrus Commission has corrected many of the ills of the Florida citrus industry. It has helped bring about grade inspection requirements and standards on Florida citrus fruit and has thus prevented the marketing of freeze-damaged and green fruit.

In its research laboratories, the Florida Citrus Commission has helped to raise the quality of Florida citrus products and has assumed leadership for new citrus product developments. Frozen concentrated orange juice was developed by Commission researchers, and this product has been of tremendous aid in disposing of increased quantities of Florida citrus fruits.

The Commission has carried on promotional programs for the Florida citrus industry in an effort to increase per capita consumption of Florida citrus fruits. These programs have informed consumers, health specialists, and trade factors about the beneficial qualities of Florida citrus products.

The Commission polices false or misleading advertising and labeling of processed citrus fruits. This is done as part of its efforts to maintain and improve the quality of Florida citrus products in order to secure better relationships with consumers and trade factors.

Problems of the Florida Citrus Industry That Remain to be Solved

The Florida Citrus Commission has no control over the production of Florida citrus. Florida growers are free to produce as much citrus fruit as they see fit and can market it in whatever quantities and at whatever prices they choose, subject only to grade and quality regulations. This has, on occasion, led to oversupplies, flooded markets, and depressed prices for Florida citrus products.

Perhaps a more orderly marketing procedure is needed. If the Commission had the power to regulate shipments of Florida citrus, it could keep markets from being flooded and prevent the tremendous swings in Florida citrus fruit prices that often take place.

Strengths and Weaknesses of Florida Citrus Commission Promotional Programs

Since one of the most important tasks assigned to the Commission is the over-all promotion of Florida citrus products, the strengths and weaknesses of promotional programs should be carefully considered.

Strengths

The Commission has utilized a combination of promotional tools in an effort to increase the per capita consumption of Florida citrus products. Consumer advertising, ehtical advertising, merchandising, publicity, and school and youth programs have been used. Well-known advertising and publicity agencies have been retained, and the

Commission has been willing to change these agencies whenever a change seemed to be beneficial. Advertising copy themes have been developed that were in keeping with consumer trends regarding health, vitamins, and weight control. Promotional budgets have been divided and spent in close agreement with the fresh and processed utilization of Florida citrus crops. Various combinations of advertising media have been used in presenting messages to consumers, and these media have been chosen to agree with the geographical sales pattern of fresh and processed citrus products.

The Commission's merchandising program has been well received by the trade. It provides trade factors with the four most wanted services, and it is judged superior to other grower-supported merchandising programs by a majority of trade factors. Point-of-sale material is well received and used in promoting the sale of Florida citrus products. In-store demonstrations carried out by Commission merchandising representatives are especially liked, and satisfactory results are obtained with prize and premium programs.

Weaknesses

The weaknesses of Florida Citrus Commission promotional programs arise largely because the Commission has not always followed promotional practices regarded as

desirable by marketing authorities. This is especially true in regard to market segmentation and the establishment of specific yearly objectives for promotional activities.

The Commission does not promote to specific market groups, or segments, based on age of housewife, economic class, family size, presence of children, occupation, education, city size, and regional location, even though Commission research has profiled out the users of citrus products by these factors and shown that consumption of the various citrus products varies considerably according to these factors. The Commission continues to advertise to the market as a whole without recognizing that certain family groups are better prospects for one citrus product than another. Therefore, it is extremely unlikely that the advertising appeals, themes, copy, art, and media used are of maximum effectiveness since they are not designed for potential high consumption groups but the market as a whole. The Commission could improve its advertising effectiveness by using the consumer profiles it has available on each citrus product as a basis for designing and delivering advertising messages to high citrus consumption groups.

Commission promotional activities also suffer from the lack of a detailed, written, annual, marketing plan with specific objectives spelled out along with the means and methods to be utilized to reach these objectives.

Broad, over-all objectives are given in Commission records, but specific, yearly objectives for each promotional tool are lacking.

Without specific, yearly, promotional objectives being developed for each element of the Commission's sales mix, the measurement of Commission promotional programs is impossible as there is no yardstick to use. In addition, promotional activities cannot be effectively coordinated, integrated, or improved without specific objectives and the organizing influence of a written marketing program.

The Commission should carefully review and restate its general objectives. Then, each season, it should develop specific objectives for each promotional tool. These specific objectives should be designed to further the general objectives. Ways and means of reaching the specific objectives should be planned and coordinated. This should all be incorporated in a written marketing plan which provides for ways to measure the promotional activities to determine if they have reached the specific objectives. Unless the Commission is willing to operate under such a written plan, its promotional efforts cannot be measured in a meaningful manner, and its promotional programs cannot attain maximum effectiveness.

Other weaknesses of Commission promotional programs include the lack of detailed records, the lack and unclear

statement of promotional policies, unwillingness to experiment with the sales mix, and weaknesses in the merchandising program.

Commission records are scanty regarding advertising, merchandising, and publicity information. Much of this information is supposed to be kept by the various agencies the Commission employs. However, the Commission should keep its own detailed records on its various promotional activities as agency records are often discarded or lost when the Commission account changes hands. Many of the early promotional records of the Commission have disappeared in this manner, and it is difficult to see how the Commission can avoid repeating early mistakes when no written records exist.

The lack of clear-cut, written, promotional policies is a handicap to the Commission. What policies are available are scattered throughout Commission records. Wide areas exist in which no written policies are stated. Frequent debates by Commission and agency personnel on the meaning of certain policies are evident in the minutes of Commission meetings. A written policy guide should be developed and kept up to date by the Commission so that new Commission and agency members can be informed on policy, and old ones can refresh their memories.

Promotional expenditures of the Commission indicate an unwillingness to experiment with the various promotional tools in an effort to secure the most effective sales mix.

In most seasons, advertising expenditures are from two and one-half to three times as great as expenditures on merchandising and publicity combined. Perhaps merchandising and publicity should receive a greater share of Commission promotional funds. The Commission can never be certain that its sales mix is of maximum effectiveness until it experiments, or does research into varying the expenditures on the various elements of the mix.

In a trade survey conducted by Dr. W. E. Black for the Commission, trade factors pointed out three major weaknesses of the merchandising program: (1) Announcements and material on each Commission planned program of merchandising events were not received in time to be useful; (2) Commission consumer advertising schedules given to the trade consist mainly of magazine and television advertising, and most trade factors believe this type of advertising cannot be effectively merchandised; and (3) Local Commission newspaper advertisements are not always announced in advance, and some have been cancelled.

Besides these major weaknesses, three-fourths or more of the trade factors interviewed by Dr. Black said they did not use the Commission advertising schedule in planning merchandising events and did not tie in their media advertising or in-store promotions with the Commission planned program of merchandising events. Evidently, the Commission has not been highly successful in securing dealer tie-in advertising or in-store promotions in connection

with its planned program of merchandising events. The Commission's efforts to secure tie-in advertising and displays should be thoroughly reviewed with an eye toward improving them or dropping them and using the funds elsewhere.

Effectiveness of Florida Citrus Commission Promotional Efforts

Since the Florida Citrus Commission has not assigned specific promotional objectives to the various components of its sales mix each season, the effectiveness of the Commission's promotional efforts is most difficult to determine. However, some indications are available, and these will be briefly stated.

The vitamin C copy theme used by the Commission was given as the major reason for buying oranges by homemakers in a United States Department of Agriculture survey. These homemakers described grapefruit as "non-fattening," or "good for diets," which is evidence that Commission grapefruit copy themes are being remembered. Therefore, the Commission has been successful in getting its vitamin C and weight reducing themes implanted in the minds of consumers. However, it was not successful in convincing all homemakers of the good taste of Florida grapefruit as many of them described grapefruit as "too bitter, tart, or sour."

The effectiveness of Commission promotional expenditures is indicated by the relationships between these

expenditures and selected time series. A study of such relationships under the assumption that other variables do not affect the time series analyzed yields these conclusions: (1) Commission promotional expenditures on Florida oranges, grapefruit, and tangerines do not explain variations in the average season on-tree prices of these fruits when such prices are adjusted for inflationary and deflationary effects; (2) Commission orange promotional expenditures are associated with variations in the on-tree crop value of sales of Florida oranges when inflationary and deflationary effects are removed from the time series. Variations in the on-tree crop value of sales of Florida grapefruit and tangerines are not closely related to Commission promotional expenditures on these fruits; (3) Commission orange, grapefruit, and tangerine promotional expenditures explain a significant part of the variations in United States per capita consumptions of these Florida fruits; and (4) Commission orange and grapefruit promotional expenditures are closely associated with variations in United States market shares of Florida oranges and grapefruit.

Outlook for the Future

The Florida Citrus Commission has shown increased interest in economic and marketing research in recent years. By hiring Dr. W. E. Black as a marketing specialist and subsequently elevating him to Director of Economic

and Market Research, a position on the same organizational level as the Director of Advertising and Merchandising, the Commission has indicated its willingness to subject its promotional activities to close scrutiny.

Through economic and market research, the Commission can secure answers to questions such as: How can promotional programs be improved? How should promotional funds be allocated among the elements of the sales mix? What is the best combination of advertising media to use? How effective are promotional programs in raising the consumption of citrus products? What can be done to combat competition from artificial citrus drinks presently being marketed?

In addition, the Commission can enter into basic research designed to isolate the effects of the many variables which influence the supply and demand schedules of citrus products. By isolating these variables, it can predict with greater accuracy the effects of shipping varying amounts of citrus products to market and can determine ways in which Florida citrus growers, handlers, and processors may maximize their incomes.

By becoming increasingly research-minded, the Commission can render maximum service to the Florida citrus industry. By placing increased emphasis on research activities, the Commission can help the Florida citrus industry grow and prosper while serving a highly competitive

market. To stand still on this phase of Commission operation will prove disastrous, for new products, new consumers, and new marketing techniques are constantly changing the shape and character of the market for Florida citrus products.

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BIOGRAPHY

The author was born in Sault Ste. Marie, Michigan on June 27, 1929. After completing high school in Waukegan, Illinois in 1946, he served in the United States Air Force until discharged in 1949.

In 1949 he entered the University of Illinois, Urbana, Illinois, and was graduated with a Bachelor of Science degree with honors in June, 1952. He enrolled in the Graduate School of the University of Florida in September, 1952, and worked as a graduate assistant in the Department of Business Organization and Operation until he received his Master of Business Administration degree in August, 1953.

During the next five years he was employed as a product advertising man by Swift and Company for one and one-half years; advertising account executive for Arthur R. MacDonald, Inc., for two years; and territorial sales representative for C. F. Mueller Company for one and one-half years. From September, 1958, until the present time he has pursued his work toward the degree Doctor of Philosophy. During his doctoral studies, he acquired four years of teaching experience in the College of Business Administration.

The author is married to the former Ann Gentile and is the father of one child. He is a member of the American Marketing Association and Pi Sigma Epsilon.

This dissertation was prepared under the direction of the chairman of the candidate's supervisory committee and has been approved by all members of that committee. It was submitted to the Dean of the College of Business Administration and to the Graduate Council, and was approved as partial fulfillment of the requirements for the degree of Doctor of Philosophy.

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